

JPRS-SEA-93-006

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# ***JPRS Report***

## **East Asia**

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***Southeast Asia***

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JPRS-SEA-93-006

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### Churches Thriving in Buddhist Country

93SE0178A Bangkok BANGKOK POST in English  
14 Apr 93 p 5

Article by Kevin Cooney "Christian Churches Thriving in Buddhist Burma"

[Text] Rangoon (Reuter) Two teenage boys on their way home from a video rental parlour pause at the golden Shwedagon Pagoda for a few moments of prayer and meditation.

Parents and other relatives carry their gaily adorned children on thrones around the base of the huge pagoda and offer them to a higher spiritual life.

In Mandalay, the devout rub tissue-thin gold leaf onto the 13-foot-high (four-metre) Maha Myatmuni Buddha image that is already covered to a depth of two inches (five cm) by similar offerings of earlier merit-seekers.

Burma is a most Buddhist country.

But on the unmodernised colonial capital's skyline, dominated by the gold stupas of ancient Shwedagon and the even older Sule Pagoda, there are spires of a different type.

"The Buddhist people are tolerant always," says Father Edwin David, rector of St Mary's Roman Catholic Cathedral in the heart of Rangoon. "Basically, they leave us alone."

Hundreds of Christian churches can be seen throughout Burma, and each Sunday more than a million worshippers fill them with the hymns and prayers of the West's dominant religion.

An equal number of Muslims and a smaller number of Hindus also worship as they choose.

"We don't have the kind of conflict you see elsewhere," said the Reverend U Myo Maw, general secretary of the Myanmar Baptist Churches Union. "Our people want to live peacefully."

General Ne Win, who pushed the country down "The Burmese Way to Socialism" during his 1962-88 rule, turned church schools into state institutions in 1965-66 and took ownership of church land.

But the church buildings themselves were left unmolested.

"Since then we have had no trouble," Father David says.

Christianity came to Burma in the early 16th century with Portuguese explorers and warriors, 2,000 years after Buddhism had been established and, as legend would have it, the foundations of Shwedagon already built.

It was during British colonial rule from 1886 to 1948 that the red-brick churches which still follow the Irrawaddy River to the Indian and Chinese borders were erected and Muslim and Hindu places of worship were

built. For much of the colonial period Burma was ruled as a province of British India.

Now there are 63 Christian churches in the capital and surrounding townships—Catholic, Anglican, Baptist, Methodist, Assembly of God, Seventh Day Adventist, Salvation Army, Evangelical and many others.

All of the clergy are Burmese.

"There are no more foreign missionaries," Father David says. "We are quite free to propagate the Gospel."

Christian clerics agree about half of the baptised come from families who converted during the colonial period, with the other half made up of new recruits.

"We are free to proselytise," Father David says. "The Buddhists are doing a lot of proselytising themselves these days. They are very active."

Rev U Myo Maw says Burma is undergoing a Buddhist renaissance.

"There is a very big revival movement among the Buddhists and the government is giving them full material support," he said.

Christian clerics say the ruling State Law and Order Restoration Council (SLORC), which seized power in 1988 after suppressing a nationwide uprising for democracy, is trying to win the support of Burma's 800,000 monks, who largely sided with the democracy campaigners five years ago.

Rev U Myo Maw said Buddhist missionaries were working among the Animists of northern Burma and did not seek followers from the Christian congregations.

Last December, he held a revival meeting at Lashio in Shan state, northeast of Mandalay, drawing 30,000 for three nights to a big football field.

He said the revival was formally opened by a senior SLORC official to show "they give support to all."

The Christian clerics agree the insurgency that has pitted the Christian Karen ethnic minority against the Rangoon government for decades was not a religious dispute but had more to do with cultural and social conflicts.

The same was true of the causes of the flight of more than 250,000 Moslem Rohingyas from Burma into Bangladesh in 1991, they said.

"It is an ethnic and racial conflict," Father David says. "It is not religious."

At sunset in Rangoon, Anglicans emerge from the tin-roofed Cathedral of the Holy Trinity after evensong.

Monks walk clockwise around the terrace of Shwedagon chanting. "I take refuge in the Buddha. I take refuge in the Dharma. I take refuge in the Sangha."

And from the minaret of a light-blue mosque on Sule Pagoda Road a muezzin calls Muslims to prayers

- Burma's Minister of Fisheries Brigadier-General Maung Maung left Rangoon on Sunday for a private visit to the United States where he will discuss increasing Burmese exports of fisheries products, state-run Radio Rangoon reported.

Maung Maung, who also holds the livestock breeding portfolio, was invited to the US by a private American association, the radio said. The broadcast, monitored by Agency France-Presser in Bangkok, did not say how long he would remain in America

The United States levied trade sanctions against Burma in 1991 refusing to renew an agreement guaranteeing low tariffs on textile imports because of political repression and failure to curb drug trafficking in Burma

## CPP Organ Reports on Human Rights Issues

### Political, Economic, Social Rights

93SE0123A Phnom Penh PRACHEACHON  
in Cambodian 9 Dec 92 pp 1, 3

[Text] What rights do our people have in the State of Cambodia? The main rights are included in the universal declaration of the U.N. and in the agreement concerning civil rights and political, economic, social, and cultural rights which have been given to all the people in the constitution of the State of Cambodia (SOC)

Concerning civil rights and political rights which are to be found in Articles 30 to 42

Article 30 says in short that "The SOC recognizes and respects human rights." The people of Cambodia have equality before the law, have the right to freedom, and have equal responsibility without regard to sex, belief, religion, race, or social position

Article 31 says in short that The people of Cambodia all have the right to vote and can run for election

Article 32 says that The people of Cambodia have the right to actively participate in the politics, economy, society, and culture of the nation

All of the people can make petitions concerning the state's political problems and concerning the people's lives to governmental and public organizations. All the petitions must receive careful examination and solutions from the governmental and public organizations

Article 33 says in summary that The people have the right to choose a profession commensurate with their abilities and the needs of the society. Men and women have the right to equal pay for equal work

Article 35 The state assumes responsibility for ensuring that there will not be any violation of any person. The law protects the honor, value, and life of the citizens

The accusation, arrest, or detaining of anyone must be done legally

The use of force, physical abuse or any action which increases the severity of the punishment on any detainee or prisoner must be completely forbidden. Perpetrators, accomplices (after the fact), and accomplices (before the fact) must make their confessions legally. An admission resulting from duress or from physical or mental cruelty cannot be considered as evidence of a crime

If there is only the suspicion of a violation the accused must be released

A person suspected of any crime must be considered not guilty until a court finally sentences him

The state assumes the responsibility for all its citizens to have the right to defend themselves according to the law

The death penalty must be abolished

Article 36 Freedom of movement and domicile of the people must be respected according to the law

The people shall be allowed to go to live in a foreign country and to return home. The right not to be subject to violations of residence or of the confidentiality of communications by letter, by telegram, or by phone must be guaranteed by the state

Searches of the residence, the belongings, and of a person must be done according to the law

Article 37 says in short that The people have the freedom to express their opinions, freedom of the press, and freedom of assembly. Freedom of belief must be respected

Article 38 says in short that The people have the right to form associations and this right must be specified in the law

Article 39 says in short that The people have the right to sue for slander, to make appeals, and to sue for restitution for damages which resulted from an illegal act by a government organization, by a public organization or by an employee of any of these organizations in his/her official capacity

Article 42 The Cambodian people cannot be stripped of their citizenship, exiled or arrested and banished to any foreign country. The people of Cambodia who live abroad must be protected by the government

A most important right among the civil rights is that the SOC faction is revising and rearranging what to do in order to have justice in the society to the maximum. In the future a Court of First Instance, a Court of Appeals, and a Court of Review must be quickly made ready for judges who are independent of all influence and decide cases by respecting the law, taking full responsibility for deciding a case illegally or breaking the law

Concerning economic, social, and cultural rights

For example, the right to an adequate standard of living, the right to a clean and safe workplace, the right to join a union, the right to receive social security (Articles 29 and 33), the right to protection from disease and the treatment of disease, to be examined free of charge (Article 26), the right to receive a comprehensive education (Article 22)

These rights which have been described and perfected in order to make them more effective, are you pleased with them?

Concerning the problem of human rights for our country which has passed through three years, eight months, and 20 days of a regime where more than three million people died, allows us to understand clearly that the most basic right is the right to life because only where there is life do the other rights have meaning

The SOC has enacted laws and has clearly implemented every kind of right as we have described above. However, in the present situation and on into the future where there is multiparty political strife, the problem of the important basic rights becomes blurred like the right to life, property rights, and the right to career or an occupation. The problem with all of these important rights which is clear under the State of Cambodia administration becomes obscure and is in danger in a multiparty situation because

- The Pol Pot Gang is still in existence and now is striving to build up and protect its power in order to regain power and take revenge on our cadre and our people whom they consider as all "Vietnamese lackies"

- A political party that was an ally of Pol Pot's party is still an ally. Pol Pot has declared a three-party alliance "a base which is of no account." Pol Pot's forces have infiltrated in large numbers into the forces of their allies.

- Various opposition parties, if they win the election they will without a doubt change the laws relating to ownership, business, and contract.

Who has given and protected the rights of the Cambodian people?

As a clear proof of the practice of human rights our SOC faction has released a large number of political prisoners in the presence of national and international observers in the spirit of respect for human rights and the implementation of the Paris Accords. But, on the contrary, the various other parties which are also parties to those accords have not implemented them according to the spirit of humanity and the spirit of these accords. We have just sent a list of hundreds of our people who are missing on the battlefield, but, so far, they have not given any answer. We do not yet know the fates of any of our compatriots at all.

Faced with a situation like this, every Cambodian must think hard and carefully about the upcoming elections in order to ensure that there are rights above which are as important as life itself and must see clearly that the Cambodian People's Party is the only one that provides and guarantees all these rights.

#### Takeo Victim's Khmer Rouge Past

93SE0123B Phnom Penh PRACHEACHON  
in *Cambodian* 31 Dec 92 pp 1-2

[Text] Surrounding the assassination of Mr. Meas Seng, a member of the Buddhist Liberal Democratic Party in Takeo Province on 12 December 1992 by Mr. Keo Chomroeun an employee of the Kiriwong District Tax office in Takeo Province, recently an investigating group from the Ministry of Finance made an urgent investigation and has made a report to his excellency the chairman of the Council of Ministers.

The details are as follows.

On 12 December 1992, at a little after 0800, Mr. Keo Chomroeun, an employee of the Kiriwong District tax office, Takeo Province, took a motorcycle from his office to go to the market in order to get some breakfast and change the battery fluid in his motorcycle. At Em Kim San's restaurant Mr. Keo Chomroeun met some friends—Mr. Nhang Siphon, Mr. Voeun, and Mr. Rit—who are current residents of the Kiriwong District, sitting and eating in front of the restaurant. All four friends sat and ate together at one table. A while later, Mr. Keo Chomroeun happened to notice the wife of the chairman of the Phnom Din Subdistrict People's Committee named Tuy Ngi carrying food to her husband and family at work in the rice field and he called out in a friendly way for her to stop and went to get more food. When he saw rice wine in the bottle which the sub-district chairman's wife had for her husband, Mr. Keo Chomroeun asked for some wine to drink. At that time the wife of the subdistrict chairman who was a good friend poured about 250 ml of wine into a glass for them to share along with some grilled fish and pickles. Mr. Keo Chomroeun took the wine and the snacks and divided them among his four friends to eat. Meanwhile the child who had taken Mr. Keo Chomroeun's motorcycle was unable to get the battery fluid changed and returned his 500 riel. Mr. Keo Chomroeun took it to buy more than a half liter of wine and some snacks such as shrimp, star gooseberries, and tamarinds which he divided among his friends to eat. Shortly after 1000, Mr. Sokh Phai, chief of the Kiriwong District Agriculture Office rode his motorcycle by the Em Kim San Restaurant on his way to check out the agricultural situation and make his report. Mr. Keo Chomroeun saw his friend and shouted for him to come and eat with him.

At about 1100, the individual named Meas Seng walked past the Em Kim San Restaurant. Seeing him from afar, Mr. Keo Chomroeun told his companions the bitter story from the past when Meas Seng had taken his older brother away and killed him during the Pol Pot regime. Mr. Keo Chomroeun always brought up this sad story and told his friends when they were telling stories about the Pol Pot regime. When Meas Seng walked past, Mr. Keo Chomroeun shouted for him to join them. All five, including Mr. Meas Seng had several 100 ml glasses of wine. By the last glass, two of them, Meas Seng and Keo Chomroeun, were drunk and joking around, this caused the altercation. The others thought that it was the usual joking and did not notice anything at all. Meas Seng bragged to Keo Chomroeun, "You are nothing, I am a captain in Son Sann's party. If I win, I will pass you by." Meas Seng talked about his responsibility and position and about his support from Son Sann's party in order to intimidate and break Mr. Keo Chomroeun's spirit. Mr. Keo Chomroeun listened to this bragging and then got angry, he got up to leave and whispered to Mr. Voeun, "I'm going to shoot this murderer Meas Seng right now." Mr. Voeun thought that these were drunken words of Mr. Keo Chomroeun and at the same time told him to stop and was ready to take the KA-54 gun away from Mr. Keo Chomroeun and not allow joking like this. Mr. Keo



Chomroeun relaxed, but suddenly rapped Mr. Voeun on the head as he was ready to take the gun and asked Mr. Voeun to excuse him so that he would not be angry that the joking had gone a little too far.

As he was speaking, Mr. Keo Chomroeun got up out of his chair between Mr. Meas Seng on his right and Mr. Sokh Phai on his left and went back to stand behind the table to the left of Meas Seng saying, "Let's all have another glass." When everyone had raised his glass of wine to drink, suddenly Mr. Keo Chomroeun drew his gun from his belt and aimed it at Meas Seng exclaiming, "I have to kill you to avenge my brother." About 15 minutes later Meas Seng was dead. Mr. Keo Chomroeun got up and went to tell a policeman that he had shot and killed Meas Seng. He told a number of others the same thing and then he slipped away and disappeared.

Following this incident, UNTAC [United Nations Transitional Authority in Cambodia], the Kirivong District police, and the sub-district authorities went to investigate and make their own reports on the spot. At the same time, representatives of the office of the Buddhist Liberal Democratic Party in the Kirivong District went to investigate the incident and confirmed that Meas Seng was a captain who was to be assigned to work as district chief of Kirivong District.

Subdistrict and village authorities for Phnom Din and Kirivong District as well as provincial authorities have concluded that this assassination was the result of a desire for revenge against a person who was guilty of murder in the Pol Pot regime. During the Pol Pot era the elder brother of Mr. Keo Chomroeun, named Ngiet Lanh, was taken away and savagely murdered by this Meas Seng who was deputy chief of the Special Guerilla Forces in the Phnom Din region and a puppet of that group. They took a dull rusty knife and stabbed him in the back below the shoulder blade and cut out his entire gall bladder. Keo Chomroeun himself during the Pol Pot era was also arrested and threatened with death twice by Meas Seng, but his mother and wife cried and pleaded so the authorities postponed it. By the end of 1977, Keo Chomroeun and his family had escaped back to the Tram Kak District where they have survived up to the present. Many of the inhabitants in that area knew of the savagery of Meas Seng's crimes during the Pol Pot era.

The subdistrict, district, and provincial authorities have issued a warrant for the arrest of Mr. Keo Chomroeun in order to bring him to trial according to the law.

#### **Attack on FUNCINPEC Explained**

93SE0123C *Phnom Penh PRACHEACHON*  
*in Cambodian* 2 Jan 93 p 1

[Text] In the Ratanamondol District of Battambang Province another FUNCINPEC [United National Front for an Independent, Neutral, Peaceful, and cooperative Cambodia] office was damaged by the explosion of a

hand grenade which killed two people and slightly wounded a third. The attack took place at 0100 on 24 December 1992.

Security officials in the province and in the Ministry of National Security made it known that they had taken emergency measures to investigate the case. The Cambodian People's Party condemned that kind of barbarous act and consider it as a sinister scheme designed to destroy the prestige of the host government.

No conclusions have yet been made concerning the explosion at the FUNCINPEC office, but public opinion in Battambang Province generally believes it to be the work of the Khmer Rouge. But the Khmer Rouge are not the only ones who do things like this. It is a case of "The monkey getting the food and the goat getting the blame." Some others are very interested in the internal controversy within FUNCINPEC and wonder if it did not come about as a result of FUNCINPEC activities where the people and intellectuals realized that they had been duped. Some have gotten angry on 11 December 1992 the chief of the FUNCINPEC office in Battambang District was severely beaten by his own employees. Mr. Prak Khoeun, who is the chief of that office, was rescued by the National Police in Battambang from that beating otherwise he might not have escaped with his life. Furthermore, in many provinces there have been protests or open reactions by hundreds of people who have resigned from FUNCINPEC. On the 29th of December 1992 in Prey Nup District in Sihanoukville 57 people in the Tuk Laak Subdistrict resigned as members of FUNCINPEC.

According to a wide-ranging investigation, similar bomb explosions in the past at FUNCINPEC offices have shown that FUNCINPEC cares less about the health of the victims than about its use for political provocation.

#### **FUNCINPEC Member Gives Statement on Attack**

93SE0117A *Phnom Penh KAMPUCHEA in Cambodian*  
*17 Dec 92 pp 1-3*

[Text] Recently there have been assassinations, armed robberies, and acts of terrorism committed which affect the security of the social order and threaten the lives and property of the people affecting even members of the different parties including the SOC faction which has suffered injuries.

However, a number of parties without any evidence have accused the SOC of committing these acts.

As food for thought for the different parties and for our readers to ponder in detail about this problem, the newspaper Kampuchea is publishing an anonymous letter which claims that the writer is the perpetrator. The goal of Kampuchea is merely to allow national and international opinion to recognize what is true in a country which has been involved in a terrible war for



more than two decades and what are some of the problems to avoid holding only one faction responsible?

The essentials of the statement are given below.

#### Statement

- First of all, I ask the forgiveness of the two people who were wounded in the FUNCINPEC office at 1530 on 17 November 1992 and from their families.

- Because all of you do not yet know about the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] incident, I threw the grenade. I did not intend to kill or wound anyone because I realized that those who were sleeping there that night were cheated by FUNCINPEC just like me.

- I did this in order to create a disturbance in the FUNCINPEC office to reveal that party's deception of me, all my colleagues, and all people. I ask you to ponder the following:

1. Did you and I know since we started working whether we would be paid or not? When they cheated us they told us such nice things.

2. This money is controlled only by the bosses. They distributed it to their cronies, for me and you and the people there was nothing.

3. The FUNCINPEC Party is not the party of Samdech Eou—Norodom Sihanouk. It is the party of Ranariddh. This party is under the direct orders of the genocidal Khmer Rouge of "Pol Pot." I have seen documents and clear activities of this group. At the present time, a majority of the bosses are former Khmer Rouge leaders like Men Cheng who is chief of District 21, Region 07, Eou Saun, alias Cheat, the Khmer Rouge leader at Totung Thngay, and a number of groups at the head quarters who are unknown, but who are also Khmer Rouge. At the present time, why does the FUNCINPEC office have weapons and ammunition? According to the accords, it is absolutely forbidden to have weapons in a party office.

4. They are fighting each other for power. They assign only their own people, especially former Khmer Rouge and people from the camps.

There were many incidents which I cannot go into at this time. That is why I was outraged. I threw the grenade to do this, not to kill people. So I curse FUNCINPEC which tricked me into becoming its lackey. I had trouble in my family, "No money, no job, and I was scorned." This is my true story which I must tell. I swear that if this story is not true, may you who have been deceived like me think things over—what is good, what is bad? What they told you at first to convince you and is it now true as they said? I ask all of you who are involved in this to think it over carefully again because it is not yet too late.

27 November 1992

A Member of FUNCINPEC in Pursat Province

#### SOE Faction Denies False Accusations

VASEO117B Phnom Penh KAMPUCHEA (in Cambodian) 17 Dec 92 pp. 2-3.

[Text] In the past, murder, armed robbery, terrorism, and the throwing of grenades to kill people have occurred continuously and made our people very fearful. The State of Cambodia (SOC) faction has further increased its precautions in order to block this problem by creating a mixed committee to prevent and suppress all these vicious deeds in the provinces and cities. But, at the forefront of this terrible situation are a number of parties which are waiting for an occasion like this to pass it on to UNTAC [United Nations Transitional Authority in Cambodia] screaming in panic that the party of Cambodia "has violated human rights," that "the SOC faction is the perpetrator of acts of political terrorism," that "the SOC faction is threatening to curtail rights and not allow the other parties to conduct political activities, etc." All of these parties have brought up the question of the lack of a neutral political climate in Cambodia.

The opening of the campaign on the problem of human rights violations (especially against these members) and about not having this neutral political climate goes hand in hand with attacks by Khmer Rouge forces against the SOC to take over positions and territories and shoot at the ordinary people and plunder and kill them savagely. At the same time, a number of other parties have wished to create disturbances in Phnom Penh while the Khmer Rouge is preparing to open a battlefield in the capital in order to make progress toward a seizure of power.

It will be very dangerous if we do not notice the scheme of the Khmer Rouge and their allies who are dividing up the task of destroying the UN's peace plan and toppling the SOC politically and militarily "by hiding behind human rights and phony democracy" and behind various unreasonable pretexts in order to put off the accords and delay the implementation of these accords.

Is it reasonable or not that they accuse the SOC faction of carrying out political terrorism, violating human rights, and creating a political climate that is not neutral?

The consequences of the war included many incidents for which the SOC has assumed responsibility and solved problems. And, if we are talking about a time of conflict in the implementation of the accords and a multiparty political struggle in a situation where they are tearing each other apart and in a situation in which the Khmer Rouge do not implement the accords, it is more and more complicated and confusing to add another level. Even the "great democracies and super powers" in the world, which are at peace, have not yet been able to stamp out terrorism, killings, and armed robberies and they are at peace and have a legal system and strong police forces. Therefore, how can they accuse the SOC of human rights violations when this government does not have the capability?

## CAMBODIA

At a time like this and in a situation like this, everyone (all the Cambodian factions, UNTAC, and the international community) must look for the roots of the problems which have arisen and unite to solve them because it is not only one faction which is a victim, even the SOC faction which has been wrongly accused and many ordinary people are victims.

Terrorism, murder, robbery are all sometimes the work of the Khmer Rouge faction (because this group does not implement the accords) or of other factions which are allies of the Khmer Rouge and have been assigned by them to create trouble and to place the blame on the SOC. Sometimes they are the work of dishonest people who our government has arrested and detained and then released according to the spirit of the accords and a number still have not even been arrested. This group commits robberies or murders for its own reasons and benefits. It does not have any political motives. Sometimes there is internal turmoil in the different parties which are ripping themselves to pieces in a struggle for power, position, and gain with some parties working to deceive by promising this and promising that, but in the final analysis, those parties duped them as was the case on 27 November 1992 when a bomb was thrown into the FUNCTNPEC (National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia) office. We have received an anonymous statement which claims responsibility for that bombing from a member of FUNCTNPEC who was furious with that party for not paying anyone except their own henchmen and realized that that party was under the direct leadership of the Khmer Rouge with many leaders who are former Khmer Rouge and that that party cared only about fighting for its power, assigning only its own people, especially former Khmer Rouge and people from the camp. It's

the same story with the other parties. Likewise, sometimes there are natural conflicts in the society and among the people who are in the country.

All of these are examples seeking to show the roots of the problem which UNTAC, as a referee and a settler of complaints for those parties, must investigate in order to clarify [the situation] first and make an accusation against one of the parties. If they don't it is the same kind of stupidity as the rabbit who was asleep and thought that the sounds of the little ripe fruit falling were the earth turning upside down.

If we speak of there not being a really neutral political climate and about the violation of human rights because of that position, the Khmer Rouge have and are operating freely without fear of any one at all, but various party rights organizations which have been screaming about human rights and UNTAC seems to be silent as a mouse when it smells a cat. But if there is any small problem which comes up which is related to the jurisdiction and responsibility of the SOC, they all scream their heads off in panic throughout the world."

It seems to be a quick and stupid injustice when they conclude a case by guesswork without clear evidence and it becomes more and more dangerous if they cannot see that unfortunate Cambodia is in a position like that. The progress toward just elections in the future is the duty of UNTAC in both the preparations and the monitoring of the elections. Therefore, UNTAC must maintain a middle-of-the-road position, to look at the truth and solve the problem justly according to the spirit of the accords to achieve real peace. The instigation and inciting by untrue accusations is the reason there is not a neutral climate and the fact that the Khmer Rouge are making war, killing people is what is causing there not to be a neutral climate and it is the clear and most dangerous violation of human rights which UNTAC must solve first of all.

$$\varphi(NF(t)) \in S \cap J_{\mathcal{A}}(N, \mathcal{A}) \cap \mathcal{R} \cap (M^{\mathcal{A}} \cap \mathcal{L}) \quad \text{if } t_{\text{end}} = t_{\text{end}}(t) \in \mathcal{A} \text{ and } t \in \mathcal{P} \quad (P.4)$$

The experiences, the judgments and the provisions for the next 25 years of development are not limited to it.

What are the prospects for Latin American national and state development? (1989) (200)

A pragmatic and pragmatic approach will play an important role in solving the economic and political problems which we face. If we succeed in solving those problems, we will achieve economic progress and long better social and human life.

For the next 10 years, considering the level of progress which we have achieved, considering the state of society, and considering the progress in other nations, a long-term, practical, and pragmatic approach to problem solving is still needed. This approach must be spread over many decades, not just one, so that the number of Indonesians who can take advantage of training opportunities will continue to increase.

For the next 10 years, the pragmatic and practical approach must be consistently applied. It must make progress in all areas and give a better living for national and state development.

President Suharto repeatedly emphasized that PAN/ANSI is an open ideology. As far as we know, there has not yet been sufficient efforts to think from a state and social viewpoint in response to that emphasis—there is still meaning to it and drawing implications from the statement that PAN/ANSI is an open ideology.

What is the description for the socio-economic, sociopolitical, and socio-cultural dynamic now enthusiastically developing in our society? How should we make a better and brighter life for ourselves by changing ourselves and the socio-generation?

Relations with other countries will continue to be markedly cooperation and interdependency, but also be competition. Internally, we need nationalism and patriotism in spirit, not just permit and just human resources, what we should call a new nationalism and patriotism, because it takes a different approach: we primarily in building our nation in perseverance, justice, justice, productivity, the competitive spirit, and self discipline, so that we become a hard nation, not a soft nation.

The dynamic in domestic development and the dynamics of the process of globalization and information bring forth new ideas, new trends, and the new aspirations of new social forces. That is the empirical reality which must be faced and channeled into a viewpoint which is responsible to society, as well as to the community to control Indonesian national and state development, one who has an Indonesian identity, and those four aspects: the ethnic nation, body, social, national environment, and the inhabitants.

For the last 10 years, the development that we have achieved has been maintained and in some areas has strengthened our unity and integrity, the national and archipelago spirit of new Indonesia. However, there are some indications that we must actively and creatively continue to progress and manage all the new ideas, dynamics, trends, and social forces in society, so that we

can keep our Indonesian nation, and our development and progress.

#### Interview With New Education, Culture Minister

TEMPE: How do you think the new Education, Culture Minister will work?

[Wardana] (passage omitted) [Wardana, who was born in Palembang, South Sumatra, was previously the chairman of administration of the BPP (Agency for Study and Application of Technology). Before Wardana was brought to the BPP by Soeharto, he was chairman of the KEM (Kementerian Pendidikan dan Kebudayaan) [Ministry of Education and Culture] in West Kalimantan. He was also chairman of the office of Education in Jakarta for several years in the office of Education and Culture in that city.

Wardana, as a new chairman, began to BPP's managing committee. The first department, Minister Habibie gave him was a managing committee program. He was also appointed chairman of the Indonesian Education Commission (KEM) in Jakarta, 1993.

In Wednesday afternoon, 10 March, after a brief meeting President Suharto presided over a meeting. Wardana gave an overview of his work as Education, Culture Minister. He said that the BPP's mission is to improve the quality of education and to improve the quality of the Indonesian people.

TEMPE: How do you think the new Education, Culture Minister will work?

[Wardana] The mission of the new Education, Culture Minister is to improve the quality of education and to improve the quality of the Indonesian people. He said that the BPP's mission is to improve the quality of education and to improve the quality of the Indonesian people. He said that the BPP's mission is to improve the quality of education and to improve the quality of the Indonesian people.

TEMPE: How do you think the new Education, Culture Minister will work?

[Wardana] Yes, I will work to improve the quality of education and to improve the quality of the Indonesian people. He said that the BPP's mission is to improve the quality of education and to improve the quality of the Indonesian people. He said that the BPP's mission is to improve the quality of education and to improve the quality of the Indonesian people.

TEMPE: How do you think the new Education, Culture Minister will work?

[Wardiman] It is the GBHN that is the basis. The GBHN is a mandate from the MPR (People's Consultative Council) for what the president must do in the next five years. We must now see whether our philosophy of education are in accord with what is laid down in the GBHN. My only duty is to improve quality and excellence.

[TEMPO] As we approach the era of industrialization, will education be directed toward absorption of technology?

[Wardiman] We will naturally be prepared for the technology era. Because of globalization, competition will become increasingly strong, and we must master technology if we are to compete successfully. Masters of technology must be through human resources which must be prepared by means of education at the lowest as well as the highest technologies. It is difficult for uneducated people to absorb technology.

[TEMPO] Minister Habibie once said that our education system does not produce people who are "ready for use." Thousands of college graduates are unemployed because they were not trained to meet job needs. How should things be?

[Wardiman] Just wait two months. Wait for me as I talk with my staff. The main point is that the frame of reference is production of technology. We will push education in that direction.

[TEMPO] Does this mean that lower order vocational training, such as the STS (state technical school), SPK (teacher training school), PGA (religion teacher training), and SMKP (business junior high school) will be revived?

[Wardiman] Thanks for that input, but I do not know.

[TEMPO] What about the balance between scientific education and vocational training in order to produce manpower that is "ready for use?"

[Wardiman] In a society, there needs to be a certain percentage of cultural specialists, factory workers, managers, and so on. In other words, education should be oriented that way. Therefore, there must be close ties among business, industry, education, and manpower. For that reason, I will endeavor to see that there is good and close cooperation between the Department of Education and Culture and the Department of Manpower.

[TEMPO] As a scientist, what is your view of the composition of the sciences and humanities in education?

[Wardiman] Culture has two aspects. First, we must be able to protect our own culture. Second, we must be able to use that culture to accept technology. The former is related to industrialization, technology, and the impact of globalization, and so the fact that we have lost our culture has a varied one. As we move toward the

industrial era, we also need to know how to integrate an industrial culture in a way that is consistent with the culture we already have.

It will be difficult indeed, but we will try to take Japan as an example. Japan is the number two technological country in the world, but it continues to guard its culture carefully. Japan still closes guards and deepens its culture.

[TEMPO] What about the NKA, BKA (campus life socialization student affairs coordination board) concepts at universities?

[Wardiman] Do not ask that now. I hope I can answer in two months.

### Information on New Minister of Home Affairs

JAKARTA (JPRS) 93-05-00064 20 May 93 / 10

[Text] Yogie Suardi, Minister of Home Affairs, is getting further and further away. As everyone knows, the reason is that after serving two successful terms as governor of West Java, he has been entrusted by President Suharto with the post of Minister of Home Affairs in the Sixth Development Cabinet. Before becoming governor, Lutenant Governor of the Armed Forces (retired) HR Moh Yogie SM (BR 8), born to Padeni Momo Bratusuganda and Nj. May Alimay on 11 May 1926 in Cirebon, West Java, just wanted to finish out his years of retirement as the village head of Pangalengan in the cool highlands of the Parahang region.

"I thank God, praised be His name, and I thank the president who has put his trust in me," says Yogie's impression of his promotion to Home Affairs Minister.

There had been rumors that Yogie, who is also chairman of the F-LTI (Regional) Delegates Faction in the 1993 General Session of the MPR (People's Consultative Assembly) would be named Minister of Home Affairs. Reporters had been asking him about that possibility. "Hey, take it easy! Don't think you have the right to say whatever you feel like," he would say with a thick Sundanese accent.

Yogie is known as a devout believer, and he is unshaken, strong and firm. He likes to joke around, but he is also known as a strict disciplinarian.

"I have learned a lot about discipline from him. He is firm, but good intentions make everything turn out right because discipline is the root of orderliness," said Yogie's wife, Mrs. Emmy Sarianah, born in Wadire, Central Java. They have two sons: R. Bito Ibrahim, 46 years old, and R. Danny Iskandar, 27 years old.

Yogie was the commanding general of KOPASSANDIA (Combat Intelligence Forces Command) and KOPASSUS (Special Forces Command) in 1980, commander of the Suwang Sixth Military District Command, the Chief of Staff of the 17th Airborne Command,





Another one of Yogie's priorities is provincial autonomy, as was promulgated in PP (Government Regulation) 43 of 1992. "Provincial autonomy must become a reality," he said. But it must be tangible and responsible. Every preparation must be made for that, especially everything which involves handing over the administration, the orderly structure of the regions, the organizations and the people who will support all of it.

After that, what is his main task as a political developer? "Political life must improve so that people are really politically aware," he stated firmly. Even though there were improvements in the quality of the last general election, said the chairman of the MPR's F-LD, there are still some areas for improvement.

"If we make a slight mistake now, the people protest. Openness will be expanded even more. But a real openness, not just the right to say or do whatever you feel like," he continued.

In view of his success as governor of West Java, many groups have high hopes for this new Minister of Home Affairs. Yogie and Prof. Dr. Ibrahim Hasan, Minister of State for Food and Chairman of BULOG (Logistics Board), are both adding strengths to the Sixth Development Cabinet. Both had two terms as governors. Ibrahim Hasan was able to bring about changes in the political culture of the Aceh Autonomous District, which led to GOLKAR (Functional Groups Organization) victories in the 1987 and 1992 general elections, and Yogie succeeded in winning the Parasamya Purna Karya Nugraha for West Java, this is the highest honor given by the government for success in provincial development. He had thought that West Java had been left far behind because of the DI/TII (Darul Islam/Indonesian Islamic Army) gangs.

"We're behind but we'll catch up," he resolved at that time. And it turned out that Yogie succeeded.

### Constraints on East Timor Development

*YANENGIA Jakarta BINSIS INDONESIA  
in Indonesian 8 Apr 93 p. 7*

[Article by Akhmal Zaini Ahar and Antonio da Silva]

[Text] Over the past year there have been a number of interesting events which relate to the process and speed of development in the province of East Timor (Timor). The problem is have there been enough of them to support real social development? This article attempts to look from various points of view at the development problems which the provincial government of East Timor is facing in carrying out the upcoming Second PIPT (Phased Long-Term Development).

The interesting phenomena referred to include:

The election of Afilias Jose Guterres Soares as governor replacing Mario Viegas Carracalao. This shows that the

central government has the political will to trust the people of East Timor to elect their own governor without any outside intervention.

This also indicates that the East Timor provincial-level DPRD (Provincial People's Consultative Assembly) is playing a greater role in determining and picking the top-level government leadership in their province. Up to now, the election of the governor in East Timor has been determined by the central government.

Besides that, Nanana (Governor) was apprehended in November 1992. The apprehension of the top commander of FRETILIN (Revolutionary Front for the Liberation of East Timor) is believed to have had a strong effect on the success of various initiatives for the social development of East Timor. Many experts believe that the apprehension of this charismatic figure will impede the regeneration and the leadership of the FRETILIN movement in fact it is quite possible that the movement will die. This means that East Timor's integration into Indonesia is no longer a strong constraint on development.

An important point in the 1993 (BHN) (Main Institute of National Direction) is the development of the eastern part of Indonesia (BT), the government will pay serious attention to the development of the BT in the upcoming Second PIPT. In this context, the province of East Timor will also get special attention from the government.

However, even though the above-mentioned facts support development initiatives there, East Timor still has a number of internal problems which the government must pay attention to and solve so that this province can really be ready to face rapid development under the upcoming Second PIPT.

### Economic Effects

From discussions that have taken place so far, the conclusion can be drawn that there still are a number of political and economic problems faced by the people of East Timor. These problems must be solved in their entirety. If not, the problems are only being patched up.

The following crucial political problems must be solved:

The number of military personnel, thousands of them in a province which has only 700,000 inhabitants (1991 man Surtraco, 1990), is considered too high.

This number has not decreased over time. Brig. Gen. Theo Syarto, former PANGKALANKOP (Commander of the Operations Command), has stated that at the present time there are about 12 Arms battalions in East Timor: 10 battalions for territorial operations and two battalions for battle operations. Several years ago there were six battalions for battle operations and six battalions for territorial operations. There has been a shift in the composition of forces, not in the numbers but in the functions of the battalions.



If we add the police, HANMIF (Civil Defense) and WANRA (National Guard) units, the ratio of law-enforcement agencies to civilians in East Timor is about 1:50. This figure is perhaps about right for Indonesia as a whole.

An excessively large number of military personnel gives rise to an unfavorable perception among the people of East Timor, among Indonesians in general, and in the rest of the world. Under such conditions, people tend to think that East Timor is still in a state of emergency.

As Lukman Soetrisno said, these trends are also not favorable from an economic point of view. They are a disincentive for investors, both domestic and foreign, who are thinking of opening up enterprises in the province. Investors are certainly unwilling to speculate in an area believed to be in a state of emergency, except for investors from the ranks of the military itself or at least those who have the full support of the military.

The presence of many military personnel also has a dual, quasi-psychological effect on the personnel themselves and on the citizens. For the first group there is a tendency towards a sense of military superiority, and for the second group a sense of military phobia.

Military superiority and military phobia arise at the same time and influence each other. However, they result from excessive military, police, and law-enforcement agencies.

#### Bureaucracy and Political Parties

The three Indonesian political forces (PDI [Indonesian Democracy Party], PPP [United Development Party], and GOLKAR [Functional Groups Organization]) are new to the people of East Timor. The presence of these three forces does not reflect the internal needs and political development of the people of East Timor. At the same time, the bureaucracy represents the central government in carrying out the governing process in the province of East Timor.

In this context, it is understandable that part of the East Timorese population feels closer to a 'church government' because they feel that the church government represents them more than the provincial government does.

#### Forces

There are at least three forces which the Timorese people feel have been running their lives and which have been mobilizing the people of East Timor: the provincial bureaucracy, the military, and the church.

The influence of the bureaucracy is felt most strongly in government administration and the law. The influence of the military is felt most strongly in political order and security. The influence of the church is felt most strongly in the people's spiritual and religious life.

The problem is that is that these forces appear not in the framework of a division of powers but more frequently in the framework of a conflict of powers. In this context, it is understandable that the people of East Timor are often confused about what their proper place is and what attitude to take towards these powers.

#### Development Funds

Corruption is a new phenomenon in the bureaucracy of East Timor. Since this province became part of Indonesia, the bureaucracy of the central government in Jakarta has begun to put its forces and administration there. Since then, development funds from the central government have also begun to flow into this province rather quickly. Along with the flow of funds has come an epidemic of corruption. That's how corruption began in the province of East Timor.

In the last five years (1988-1992), it is estimated that development funds from the central government for East Timor have reached 70 billion rupiah. East Timorese also heard in 1992 that corruption in the province had reached the alarming figure of 40 percent. If you multiply this percentage by the amount of development funds, there is an alarmingly large amount of corruption.

At the time, Gus Dur (Jusuf Habibie) wanted to reduce the amount of corruption to about 10 percent. Gus Dur must also try to do this if he wants to maximize the results of development in this province.

#### Hard Work

Given these various problems, Abubakar plan to focus on political development for at least the next five years faces some serious challenges. He must first take part in some homework that is demand that the central government have the political will to always pay attention to the aspirations of the East Timorese people take into consideration the position of the military in making any political decisions, meet the demands of the people take into consideration the church as a socio-political force and fight against bureaucratic corruption.

- Akhmad Zamri Aba is a member of the professional staff of the LPTI (spatious unknown), Yogyakarta.
- Antonius da Silva, an alumnus of the APIS (Department of Home Affairs Academy), is now a student in FISIPOL (School of Sociology and Political Science) of UGM (Gadjah Mada University), Yogyakarta.

#### Group Calls for Ban on Plastic Waste Imports

VNSA/1993 Jakarta 11 JRS/PEMBANGUNAN  
in Indonesia 11 Jan 93 13

[Text: A deadly business is taking place in the importing of trash, which recently has become a hot topic in Indonesia. No specific steps have been taken to deal with the matter, either by the government or the local trash importer.]

In fact, the most recent report is that 11 containers of imported trash were released straight out of seaports. If this is true, it means that there is no strict enforcement of Directive of the Minister of Trade No. 149 of 1989, which banned imports of plastic waste.

This situation of course threatens the environment. For, according to HAPETIAI (Environmental Impact Control Board), this imported trash can be categorized as B1 (hazardous/poisonous material). Primarily, however, it is a threat to the recycling activities of trash pickers.

As we know, thousands, or even hundreds of thousands of pickers are able to live by recycling trash, including plastics discarded within Indonesia. The imported trash naturally threatens their livelihood.

It is estimated that the price of domestic trash has declined by 50 percent since trash imports began. This in turn has cut the incomes of thousands of pickers by an estimated 75 percent.

This has occurred because the price of imported trash is much lower than that of the raw materials used by the plastics industry in Indonesia. Therefore, it is feared that plastics manufacturers will use more imported plastic than recycled domestic materials.

If this matter continues to be neglected, importing trash will merely enlarge the resources that exist in the plastics raw materials trade. However, it will reduce the incomes of pickers, whom the president called "soldiers of self-sufficiency."

The threat from the system of protection and monopoly is strengthened by the introduction of presses for local trash. This method separates materials that can be recycled and discarded as organic waste. The use of the press system causes the pickers to lose some of the materials they pick over.

Besides the use of presses, there has recently appeared a recycling program that short circuits the recycling network (the traditional system) that has long been in use among pickers, collectors, traders, and processors.

Turning again to the trash import issue, even before the trade minister's directive was issued, legal action could have been taken by use of Directive of the Minister of Health No. 451 of 1981, which prohibits importing, distributing, or storing hazardous materials within Indonesian territory without permission from the minister of health.

Hazardous materials covered by that law include chemicals with lethal and noxious effects. The health minister's law provides for a criminal penalty of at least six months imprisonment.

In view of these facts, WAIHI (Indonesian Environmental Association), which represents picker communities, organizations in JABOTABEK (Jakarta, Bogor, Tangerang, and Bekasi) and the Jakarta Social Institute issued a press statement signed by its Rachmadi W.

Jakarta in which WAIHI declared its concern over the lack of action by the government with the imported waste plastics issue.

They presented at least four statements and requests that they hoped would receive the attention of authorities. First, they were concerned over the inconsistent actions of the government, which should monitor/enforcement of the trade minister's directive. This included the matter of the containers of imported trash released freely from seaports.

Second, they stated there should be a plan presented to the minister of trade for monitoring imported trash. Under that plan, there would never be any repetition of the problem. Third, they expressed concern over recycling programs that use money which depletes the livelihood of the pickers.

Fourth, they urged the immediate suspension of all banning imports of all types of waste, especially those that contain poisonous and hazardous materials.

Imports of trash from yacht plants in the United States and Europe have been going up since the 1970s. This trash has been dumped into Indonesia through the port of Jakarta, Medan, and Semarang with import duties of only 10 percent.

There are now stacked up at Tanjungpriok pier, that 116 containers of imported trash, consisting of plastic scrap, polymers, PVC (polyvinyl chloride) and the minimum wage. There is also a report that about 40,000 tons of plastic trash will soon be sent to Indonesia from Germany. The ship is now in the Netherlands. According to HAPETIAI, the trash is in the B1 category.

The most hazardous substances in the imported trash are chlorine (from CFC (chlorofluorocarbon) products), DDT, PCB (polychlorinated biphenyl), aqueous chlorine solutions, dioxin, furan, and thousands of other substances related to CFC (unpublished).

As we know, if these substances are combined with hydrocarbons, a type of organic chemical is produced that is very persistent and cumulative in these compounds. If you ingest or inhale hydrocarbons, the exposure consequences are internal, molecular, and cellular, leading to nerve damage and symptoms of persistent nervous disease.

According to WAIHI data, 30 trash containers have been imported. WAIHI's statement includes a request for action against the irresponsible activities of these importers.

## MILITARY

### Biographical Sketch of Edi Sudrajat

*SINERJIA Jakarta TEMPO in Indonesian* 7 Feb 93  
pp. 23-26

[Text] General Edi Sudrajat can be called a true soldier. He grew up on the battlefield. Since he became a second lieutenant—he was thrown into Operation "Trikora" in 1961—he has gone through eight military operations, including the destruction of the Co-MOS [Co-Movement] (1965) and East Timor operations (1975).

The military experience of this son of Sundanese parents, who was born in Jambi on 22 April 1938, is complete. He has had much experience as a commander both combat and territorial. After graduating from the AMN [National Military Academy], he served from 1961 to 1963 as a platoon commander in the 515th YONIF [Infantry Battalion] ("Tanggul") in Jember. After serving as commander of KOPUR LINI D KOS TRAD [Airborne Combat Command of the Army Strategic Command] (1980), he became commander of the "Bukit Barisan" KODAM [Military Region Command] (1981) and then commander of the "Siliwangi" KODAM (1983).

Edi has also had staff experience. His most recent posts were assistant for operations to the KASUM [chief of General Staff] of ABRI [Indonesian Armed Forces] (1985), deputy KSAD [chief of Army Staff] (1986), and KSAD (1988). As an instructor, he was commander of the AMN Instructor Company (1963) and commander of the Infanteri PUSDIK [Training Center] (1973).

He has received 13 awards and has spent almost half of his career in the Red Berets, where he was a company commander in the 1st Battalion of the RPKAD [Army Commando Regiment] (1964), deputy commander of Group I of KOPASSANDHA [Special Forces Command] (1968), and commander of Group IV of KOPASSANDHA (1973-1975). Moreover, from deputy KSAD, was one of his men at Cijantung.

According to Lieutenant General retired Himawan Sutanto, a former teacher of his at the AMN, Edi's talent for leadership was apparent from the time he entered cadet training in the Tidar Valley at Magelang. Edi was in the same class as Suparto, minister of transmigration, Sumarto (governor of Riau), and Ali Gono (chief of the Communications Education and Training Board). However, it was Edi—nicknamed "Shark"—who was selected to be commander of the Cadet Regiment. "As chairman of the cadet senate, he was always an example to his juniors," said Major General Sutedy, now deputy chairman of the DPR-MPR [Parliament People's Consultative Council]. Edi graduated from the AMN in 1961, winning the Garuda Yakti Swara as the best graduate of the academy's first class.

When Edi was at MHSKJAD [Army Staff and Command School] as a major (1972), he was selected from among

77 junior field-grade officers to attend an Army session on inheriting 1943 values. The ideal Edi presented reportedly impressed Army leaders.

Although his stern look and thick mustache make him appear fierce, he is actually a friendly person and easy to engage in conversation. "It is true he does not talk much, but his actions are always consistent," said one of his subordinates. He makes decisions only after consulting others. For example, he was tasked with investigating the Dili incident of 12 November 1991. He then formed the Council of Military Honor (DPM) led by Major General Feraal Tanjung. As a result, action was taken against a number of high officers and ABRI personnel.

Edi has tried to improve the welfare of his troops. Because of a limited Army budget, the Kartika Eka Paksa foundation, which he heads, cooperated with ABRI Insurance and the Board of Directors of the Army Compulsory Savings Fund to build about 3,000 housing units for soldiers and ABRI through employees. "I have experienced the difficulty of being a soldier without a place to live. Despite having a good pension, once had to stay with relatives," Edi said.

In 1961, Edi married Lulu (Luguh), a former first high school in Bandung and a former first lieutenant in the Air Force Women's Corps. They have four children: three sons and a daughter. The third and fourth children are following in the steps of their father and are at the AMN. Edi also has an adopted daughter, whose father died in service in East Timor.

According to Lulu, Edi always presented the Christmas in the family. When Edi and his wife were young, they could often be seen playing volleyball or basketball together. "On Sundays, we like to go for walks as a family and eat out or just gather at home," Lulu told TEMPO. Edi enjoys listening to his kudu—the kudu is a small crowned bulbous in his back yard—on the songs of Herr Koes Endang.

In his spare time, after Edi knows that he better is sports hunting and shooting tennis, soccer, and golf. He is an expert shot, and his quarter target, except for accurate aim, is hitting that he has been the general chairman of PERBAKIS [Indonesian Shooting Association] since 1986. Edi was the star of the shooting match held last year for senior ASEAN officers and won the rifle championship.

There are stories about the 1984 election. After his appointment as KSAD in 1984, he should have moved into the official residence in the senior Army officers complex in Kuningan, Jakarta. But what did he do? He chose to stay in the deputy KSAD residence. The deputy KSAD residence is closer to the family court. Edi told TEMPO.

As dawn in Bandung got hot, the wife got into the dormitory in the tennis court. He never forgets to take his mother-in-law coffee. Lately, he has reportedly been taking his 100-pounds tennis racket every morning.

Pak Edi, as he is usually called, once said: "There is something unique about me. I like ball sports, but the strange thing is that the older I get, the smaller the ball is." By that, he meant that when he was young he played soccer (at the halfback position). He also liked to play volleyball. He was very light on his feet as he jumped to make a "spike." As he became older, he shifted to tennis and then to golf. "After retirement I may play marbles," he joked.

Last Monday (15 February), General Edi and General Tri reported to President Suharto at Cendana. "We reported to him on the transfer of duties that took place the previous Saturday (13 February). The president then gave guidance and instructions, particularly on ABRI duties. The president emphasized that ABRI should continue to develop combat soldiers," said General Edi, ABRI Commander.

Afterwards, General Edi gave an exclusive interview to TEMPU's Linda Djaili and Ivan Harris at his office at Army Headquarters. Excerpts are as follows:

[TEMPO] What will the posture of ABRI be as it faces the era of modernization and industrialization you have referred to?

[Edi Sudrajat] Discussion of posture involves structure. ABRI's structure must be small, efficient, and effective. This does not mean management and organization alone, but a mental attitude that cannot be instilled merely by seminars. It must be something that is ingrained and growing. Education has an important part in creating efficient and effective behavior.

[TEMPO] Does efficiency not imply cutting back?

[Edi Sudrajat] No, it does not mean cutting back. Although ABRI is small, it is capable. Efficiency lies in improving individual and unit capabilities. Overall, such capabilities can become great.

[TEMPO] Is there a possibility that the police may be split off from ABRI?

[Edi Sudrajat] We know that the police have always been part of ABRI. This has been important to maintaining the security and stability that has been so good. Police work clearly is different in that it is directly related to public order. Therefore, it is the police who should be on the front line, not the military.

[TEMPO] Then, is there no possibility that the police will be split off from ABRI?

[Edi Sudrajat] I think not. The best thing for national interests and for protecting and upholding the life of the nation is to have the police in the single ABRI organization. Any problems are usually situational.

[TEMPO] Is there a new ABRI operations concept for maintaining security in Aceh, East Timor, and Irian Jaya? Will the police be involved?

[Edi Sudrajat] There are no changes. The concept is clear from combat and intelligence operations to public security and order. The police have the biggest role in public security and order operations, and the police are involved in all operations. In public security and order operations, however, the role of the police is larger, and that is important. Terrorists need front and logistics for their forces. Because they usually get these things by robbery and such like, the police are needed.

[TEMPO] You mentioned that the "dual function" of ABRI is still needed. What about the holding of civilian posts? Will that be increased?

[Edi Sudrajat] Some people may think "dual function" and civilian posts are the same thing. The holding of civilian posts is actually only a small part of the "dual function." The "dual function" is a part of a concept for national and state life, and ABRI from its inception has been a part of the nation. Its role, whether legislative or otherwise, has been to consider how it can participate in advancing the nation. Thus, ABRI's role will remain as long as this country exists.

[TEMPO] What about its interest?

[Edi Sudrajat] Naturally, it will not always be the same. At present we see their numbers on the decrease. The problem is when we have a civilian position, people get upset. If a chemical engineer becomes governor, no one minds.

[TEMPO] Does not ABRI lose its assignments to civilian posts? Do you not lose smart people?

[Edi Sudrajat] There are actually still many smart people. We consider the overall issue. If we emphasize only a part, the whole cannot be developed right? Out of 500,000 total ABRI personnel, how many have been taken? Perhaps 1,000 people have been taken from various levels, including support positions, but when they have been assigned, the biggest complaint, why?

[TEMPO] Does not the departure of ABRI personnel in politics or the bureaucracy reduce their idealism?

[Edi Sudrajat] No. We take an overall view of idealism for the sake of the nation. I will provide personnel for the sake of more important interests, and I will provide the good ones. If they are not of high quality, I do not want to give them. As an example, the GRPP's (Broad Outline of State Policy) was the same task force from the ABRI Faction's draft.

[TEMPO] Also, what about the arms race in Southeast Asia? Taiwan, for example, has ordered 60 Mirage, and Indonesia has ordered 50 ships from Germany.

[Edi Sudrajat] I don't think there is an arms race in the region. There are actually two things happening. First, the balance of power in the world has now changed. As a result, certain countries are developing their armed forces to avoid dependence on other powers. Second,



what is really going on is that countries are busy purchasing things at sale prices. Because the world situation has changed, many arms are being sold at cheap prices. The ships we are buying from Germany are still in great condition, but they are being sold at lower prices.

(TEMPO) There is a rumor that you will be Armed Forces commander for no more than two years. What is going on?

[Ed Sudrajat] How should I know? Who did that rumor come from? Ask the one who spread the rumor.

(TEMPO) How is your health?

[Ed Sudrajat] At the moment I do not have any problems. I still play tennis against 27-year-old opponents. I practice four times a week.

### Speculation on Who Will Fill Top Army Posts

(KSEI) *The Jakarta TEMPO in Indonesian*, 21 Feb. 91, pp. 11-12.

[Teks] The change in top leadership of ABRI [Indonesian Armed Forces] will automatically bring shifts among the personnel who fill lower positions. Now that General Edi Sudrajat has been promoted to ABRI commander, who will be the next chief of Army Staff (KSAD)?

The change will be made soon. The candidate's name is in the president's pocket. Edi said after his installation Friday of last week (19 February) at the State Palace. When pressed as to whether the candidate is Deputy KSAD Lieutenant General Wisnomo Arismunandar, Edi did not deny it. According to a TEMPO source at ABRI Headquarters, the assignment will be made after the MPR (People's Consultative Council) General Assembly in the middle of March or about the time cabinet members are installed. "It may take place at the same time as changes in heads of staff of the other services," the sources said. Because the chief of staff post is a political position, only the president knows who it will be.

It can be predicted that the KSAD post will fall to the hands of Lt. Gen. Wisnomo. This prediction has emerged probably because of tradition, which held true also in the cases of General Try and General Edi. Both of them held the post of KSAD after previously serving as deputy KSAD.

This scenario did not hold true for Deputy KSAD Lieutenant General A. Suhata Rajagukguk, however. He was replaced last year by Wisnomo and received the important post of ambassador to India. Age may have been a factor for Lt. Gen. Rajagukguk, who is only eight months younger than KSAD General Edi. They were both born in 1938. General Edi graduated from the AMN in the 1960 class and Lt. Gen. Rajagukguk in the 1961 class. Thus, Edi and Rajagukguk are too close to each other for passing the baton of Army leadership.

Therefore, said a military observer, the emergence of Lt. Gen. Wisnomo, a 1963 graduate of the AMN, to replace Rajagukguk as the second in command of the Army "more reflects regeneration of leadership in Indonesian Army ranks." Like Edi Sudrajat and Rajagukguk, Wisnomo also comes from the Red Berets—nickname for the Special Forces Command (KOPASSUS). In fact, Wisnomo was once commander of KOPASSUS. After that, he was entrusted with the posts of commander of the "Tinkora" KODAM [Military Region Command] and of the "Diponegoro" KODAM before rising to commander of KONTRAD [Army Strategic Command].

In pursuing his career, Wisnomo has not emphasized military science alone in his troops. He has also insisted on analytic and intellectual capabilities. When he became commander of the "Diponegoro" KODAM in Central Java, he required his subordinates to do writing, which was then considered as making promotions. "Writing has great influence in society. There is no longer war, but to face the challenges of the future, a soldier must have a broad perspective." Wisnomo, who was born in Sribandak, told TEMPO last year when he was still KODAM commander in Semarang.

If the scenario for Wisnomo's progress continues, there is a good possibility that his career will move swiftly to the top. He is a strong candidate to follow Edi's footsteps. Lieutenant General retired Hasnan Habib was probably not wrong when he commented on Wisnomo to TEMPO last year: "I expect him to be KSAD and even PANGAB [Armed Forces commander]."

Hasnan's prediction of Wisnomo's success may be because of the fact that General Edi and General Try became PANGAB after holding the post of KSAD. Nevertheless, there are still people who push for Lieutenant General Ferial Tarmug to be ABRI commander in the place of General Edi. At 53, Lt. Gen. Ferial is now the chief of the ABRI General Staff.

Brigadier General Nurhad Purwosaputro, chief of the ABRI Information Center, notes that the door is not closed to Lt. Gen. Ferial's becoming KSAD, for there are high officers from staff backgrounds who become chief of staff. Major General Setono became KSAD (chief of Air Force Staff). Rear Admiral Rumi became KSAL (chief of Navy Staff), and later Major General Edi himself became KSAD, all after serving as assistant for operations to the chief of General Staff of ABRI.

Another point being vigorously discussed is who the next deputy KSAD will be. The deputy KSAD job is not just a "spare tire." That post has important and strategic significance, for the deputy is responsible for all internal affairs of the Army, particularly in the development of staff. The KSAD mostly handles the commands. Besides that, the deputy KSAD post can be looked on as a stepping stone to becoming KSAD—of age, performance, and luck matters.

At present there are a number of people suitable for becoming the Army's second in command. For example,

there is Major Capella (spelled), new commander of the "Diponegoro" KUDAM. He graduated from the AMN in 1964 and once was President Suharto's adjutant (1983, 1985). He was born 30 years ago in Tuban and has three children. His previous post was that of assistant for security to the KSAI. When asked for comment, he said simply: "I am only a puppet. To me are pulling for me, well, thank you much." He spoke with TEMPU on Saturday of last week (23 February) while attending President Suharto's inauguration of 1 and 2 days in 1 day.

Another person being mentioned as a strong candidate for the deputy KSAI post is KUSTRAD Commander Major General Kantara. He was born in Cirebon and speaks Mandarin fluently. He was in the same class as Lt. Gen. Wiranto. Kantara's (imaginary) ex-KUSTRAD commander is presumed to have held duty until 1992, suspended major general officer rank because the army who normally holds the command are those KUDAM (joint) members.

The name of Major General Sumang Purnamasari, should not be forgotten either. The former commander of the "Adipati" KUDAM who was removed from his post because of the JIL incident of 17 September 1991, reportedly is also a strong candidate for deputy KSAI. Sumang, who was of the same class as Wiranto, is now for the staff of ABR. He should live.

According to Major General Wiranto, appointments of the Indonesian Army are based more on a desire to maintain a quota would make quality secondary.

This would be dangerous, to say the least. Competition among senior officers for important Army jobs is increasingly open. The army will have a chance to become demilitarized KSAI (as the officers in the same development) and Indonesians through many things such as capabilities, interests, and relations.

Because of these criteria, officers should be aware of those in the relations below them, where they are senior officers with potential for becoming leaders. Look, for example, at Major General I. I. Magdiana, 30, who is commander of the "Jember" KUDAM. This leader who is "great" about sports is among the young two-star generals with potential for leadership in the Indonesian Army.

The officers who graduated from the AMN in 1967 are in a very strategic position for becoming Army and ex-ABR leaders. For example, there are Brigadier General Tarub (KIPASSI's commander), Brigadier Thero Sule, (commander of the base "Trem" Operations Baniar), (commander), and Brigadier Yenni Yekhiat (commander of the Infantry Weapons Center). All of them came from the Red Beret and are under 40 and thus relatively young.

There are some others among the first graduates who should be noted: Brigadier General (former) commander of staff of the "Banyuwangi" KUDAM, and Brigadier

General M. Yacub Hasto (deputy commander of KITS TRAD). Another young officer with no less prestige is Brigadier General Hendri Priyanto, 37, who is now director "A" of the Strategic Intelligence Agency (BAIS). A 1967 graduate of the AMN and with a background in the Red Beret, he is said by some to be slated for commander of KUDAM JAYA (Metropolitan Jakarta Military Region) to replace Major General E. Harsen after the MPR General Assembly.

Most of these potential Army leaders come from the Red Beret. KUSTRAD Commander Maj. Gen. Kantara feels that it is as it ought to be, because those who serve in KOPASSI/S are not ordinary soldiers. Having high school as an analogy, members of KOPASSI/S are like those with high IQs. They are scholars, to put it another way. In fact, at the officer level, KOPASSI/S personnel are chosen from the 11 best AMN graduates.

### Eti Sudrajat First of New Military Leaders

by [Name] Jakarta, TEMPU (Indonesian) - 22/2/93

[Text] ABR (Indonesian Army) Group has a new commander. General Eti Sudrajat has replaced General Tri Sutrisno, who is being mentioned as the strongest possible presidential candidate from among the MPR Group's commander of factions.

The emergence of General Eti does not differ much from that of General Tri five years ago. Both were KSAI (chief of Army Staff) before becoming ABR commander, and both rose to the top ABR post within days before the opening of the MPR General Assembly. The difference is that Eti is being promoted to assume the war for Tri-ABR's only candidate to the 1993 presidential election.

For ABR, Eti's coming to the fore is a new page in the history of its leadership. Eti is the first of the AMN (National Military Academy) generation to come to the top ABR job. Because Eti is a member of the most senior AMN group, those who graduated in the early 1960s, it can now be said that ABR leadership is in the hands of the academy generation.

This new round in ABR leadership will naturally bring a new color to ABR for these officers learned ABR doctrine through academic education and have applied it in community-oriented duties. They were not born of national spirit and (armies) like their predecessors (page 50 omitted).

### ECONOMIC

#### Suharto on Overproduction of Rice

by [Name] Jakarta, TEMPU (Indonesian) - 17/2/93

[Text] When the rice began to appear three months ago, farmers were already imagining a big harvest. It

was estimated that the harvest would take place during the holy month of Ramadan and that rice production would ease their burden in celebrating Idul Fitri. But good luck cannot be counted on and bad luck cannot be avoided.

Predictions of the time of the harvest were right, but just as the rice was being harvested the fantastic dreams disappeared in a flash along with a sharp drop in the price of unhusked padi. This sad event took place in all the centers of production on Java.

In Karawang, known since Dutch times as a rice basket, the price of a kilogram of dry unhusked padi was only 180 rupiahs, far below the 3000-rupiah price of a kilogram of chili peppers or the 1000-rupiah price of a kilogram of cucumbers.

How could this happen? According to the brokers and KUD Village Unit Cooperative managers, the unhusked padi sold by the farmers was still wet because a few days earlier there had not been enough sunshine to dry it well.

A similar situation developed in Mojonegoro (the rice basket of East Java) and in rice-production centers in Central Java. The same thing happened: the unhusked padi was priced way below the base price of 2000-2200 rupiahs per kilogram set by the government.

The same is true in Karawang in East Java and in Central Java where some KUDs did not buy unhusked padi because it had not dried out in the sun. This refusal to buy padi is regrettable, but the KUD cannot be faulted. Even though it has a social function, KUDs cannot lose money," said Subianto Triakrawadaya, director-general of Hima Usaha Koperasi (Cooperative Initiation Development).

The problem of damp unhusked padi produced a chain reaction. The KUD rejected what the farmer had harvested. The sub-DOLCG (Logistical Depot) rejected the KUD's offer and finally the BULOG (Logistical Bureau) rejected the DOLCG's offer. The KUD in Jayanti, Karawang District, could do nothing about it because the DOLCG rejected 30 tons of its rice on grounds that it was not good enough. "But we thought it was good enough," said Koesnadar, chairman of the Jayanti KUD.

The situation is even worse in Central Java. But farmers in Salatiga were pretty clever. When they found out that the harvest was so miserable, the farmers whose rice had not yet ripened made a radical decision. They cut down all the rice that had not yet ripened and sold it as fodder for horses. The price per bundle was between 1500 and 2000 rupiahs, which was more profitable than selling the unhusked padi.

For example, an area of 100 m<sup>2</sup> can produce 50 bundles of horse fodder, which can be sold for 75000 rupiahs. On the other hand, if the farmers wait for the harvest, it will produce at most 70 kilograms of rice, which will sell

for 14000 rupiahs. So it is more profitable to do business with the drops of a horse-drawn cart than with the KUD.

Karno, a farmer from one village in Kecamatan Karawang, also has his attitude of distancing himself from the KUD. He prefers to sell his unhusked padi to brokers for 210 rupiahs per kilogram. The problem is that the KUD manager offers a low enough bargaining fee for the wet unhusked padi. "But we need our money right away," said Karno bluntly.

President Suharto acted quickly in this case of falling unhusked padi prices, when BULOG was suddenly considered impotent. To overcome the problems faced by the farmers he issued regulations last week for BULOG to buy the unhusked padi.

The implication is that the KUD must buy the harvest of the wet padi priced at between 140 and 145 rupiahs per kilogram. It also will be guided by these criteria: (a) the KUD has a good 140 rupiahs for unhusked padi which contains 10 percent water; (b) the price of 140 rupiahs per kilogram will cover the cost of drying padi from 100 percent wet padi.

At the same time, the present high-priced unhusked padi will sell below 140 rupiahs. This is the difference from the previous situation before the regulations were issued. The KUD will offer 140 rupiahs per kilo of the high-quality unhusked padi, but it cannot do that.

After the KUD buys the rice (which was the lowest price and BULOG gets their money starting from the next day), the rice is lost. The problem is that they are now facing the problem of unhusked rice. BULOG will buy 1000 tons of 100 percent wet rice and BULOG will unhusked rice for 140000000 rupiahs (1000 tons of 100 percent wet rice).

In addition, there is also an issue regarding the rice harvest. The unhusked unhusked padi due to the loss of BULOG will be sold to the unhusked unhusked padi to produce rice that will not be sold any more and will be sold to the rice to be unhusked (the BULOG will have a deficit again this year).

As it was known, BULOG will buy the rice for 140000000 rupiahs because it must be sold to support the national rice price. It is true that BULOG will have millions of rice again but the rice deficit could be repeated.

However, that is a loss which the government will not let the rice right now has been in the rice market will sufficiently to the rice market. The rice market is very heavy. The government does not interfere right now. It is quite possible that other farmers will do what the farmers in Salatiga did to sell their rice for a higher price. At the very least, they will be able to sell rice and and they will be able to sell rice.

Farmers in Jayanti, West Java, who are now selling their rice for 140000000 rupiahs will be able to sell their rice for 140000000 rupiahs. The price of rice



peppers at the broker's level is now 2,500 to 3,000 rupiahs per kilogram. If that practice spreads everywhere, won't our self-sufficiency in rice be threatened?"

It is also possible that the government recently lowered the interest rates on BULOG, KUD and farmer credits on the basis of such calculations. In addition, the government has set aside a rather large amount of money to support the entire harvest. Minister Bustanil Arifin has confirmed that the 1993-1994 BULOG program will involve 1.1 trillion rupiahs of credit.

### Minister Stresses Technology, Human Resources

*YASE/USA Jakarta KOMPAS in Indonesian 22 Mar 93, p. 1, 10*

[Text] Jakarta (KOMPAS—REPELITA VI [Sixth Five-Year Development Plan] is the first five-year plan in the Second Long-Term Development Phase [PJPT II], in which industrialization has been set as the basic context for the development of an advanced and self-sufficient society. In this framework, a larger role will be given to technology and human resources.

The new minister of state for national development planning chairman of BAPPENAS [National Development Planning Board] Drs. Ginandjar Kartasasmita said this in an interview with KOMPAS at his home several hours after the installation of the Sixth Development Cabinet on Friday 119 March.

"Broad-spectrum industries that absorb much manpower will continue to get priority, but certain industries will be encouraged in order to make-up lost ground," he said.

He said that in PJPT II Indonesia will enter the industrialization phase, which is a thing of the past for countries now entering the information age. The developed countries, for example, began the industrialization process about 200 years ago.

According to Ginandjar, Indonesia naturally cannot focus only on the development of what are called broad-spectrum industries if it is to make-up lost ground, for such industries do not always use advanced technology.

"To catch up, we cannot run more slowly or even at the same speed as those we pursue. That is the reason we need to encourage certain sectors and industries by concentrating resources in those sectors," he stated.

The industries that are to be encouraged in order to expedite industrialization have been specified in the GBHN [Broad Outline of State Policy]. These include, for example, design and engineering, the machine industry, and the transportation equipment industry.

Ginandjar said that agroindustry will receive priority because it increases the value-added of Indonesia's natural resources and has great potential for absorbing manpower, providing exports and stimulating regional

development. "Agroindustry, along with other priority industries, must be encouraged more," he declared.

### Emphasis

Ginandjar said the larger portion given to technology in the new cabinet is related to the emphasis on creating self-sufficiency and making-up lost ground. In the GBHN, this emphasis is referred to as the Second National Revitalization. "The appointment of more technologists may reflect the president's reaction to these demands. It may also explain why I was placed in this post," added the former minister of mining and energy.

Emphasis is being given to technology and quality human resources because Indonesia can no longer depend on the factors that in the past were deemed comparative advantages, such as abundant natural resources, cheap labor, and foreign loans on soft terms. The ability to compete in an increasingly competitive world is determined by quality human resources and mastery of technology.

"Whereas technology used to be only a subsector of development, it has now become a development sector itself, on a par with the economic, political, social, cultural and defense and security sectors," he asserted.

Ginandjar said, however, that he did not wish to see macroeconomics and "microeconomics" in opposition to each other, as done by observers who claim that with the sixth development cabinet there has been a shift in dominant principle.

"I do not wish to be trapped into any specific school of thought. My school of thought is the GBHN. We seek the implementation of whatever the GBHN specifies, in accordance with the people's mandate embodied in the GBHN. If my viewpoint agrees with that of Pak [father—a term of respect] Habibie, so be it, because we are both engineers. I will however continue to emphasize economic stability as in the past. We do not build a tall building without giving attention to the strength of its foundation."

According to Ginandjar, the two institutions complement each other because it is impossible to develop without growth without stabilization, and vice versa. How harmonious complementation can be achieved is the most task of the sixth cabinet's economic team.

### Dynamics

Ginandjar also feels there is a misconception among the people who feel that technologists generally are economists first and only later calculate the economics.

"It is impossible to create anything without the engineer's thinking about the economic aspect. If we make goods or build buildings, we must calculate the cost in advance if we are to sell them. Because an engineer must understand economics, I do not see any

problem in an engineer's holding an economics portfolio. Remember that Fat Lijanda once headed BAPPENAS. I worked as a consultant when I was young and had the time. Regulations before 1974 made that possible. I handled many development projects and had much to do with feasibility studies that combined economic and technical feasibility. It is probably good for officials at the decision-making level to be acquainted with field work, not that they base decisions only on nice theories that turn out differently when applied. He stated:

Conandya was unable to say yet if his presence as an engineer will give a new color to BAPPENAS. "Because the new CRHN differs from the CRHN's that were the points of reference for previous five-year plans, it is possible that there will be some color or nuance."

What about openness in BAPPENAS? "It is clear that wherever we go, there are characteristics that we take with us. I am an open person, and openness and transparency are my nature. We will have to wait to see the effect of openness on BAPPENAS."

#### Concept of Self-Sufficiency

According to Conandya, the main challenge facing him as BAPPENAS chairman is that of making development plans on the basis of the CRHN, and the challenge at the doorstep now is the drafting of REPELITA VI. A pressing problem he faces in the next five years is resolution of the disputes caused by 17 million poor people. This problem is only a part of the larger development issue. Dealing with it is not simple and must include economic and non-economic efforts, he said.

Conandya explained that the self-sufficiency concept is different from what it was under the first order, because there is now a recognition of mutual dependence among countries in trade, technology, industry, and other things.

"Thus, self-sufficiency does not mean isolation, but the creation of an Indonesian capability to proceed with development by our own strength and to weather any problem. This applies not only to the economic sector but also to all aspects of life. For self-sufficiency must be reflected in cultural and political attitudes. In the economic sector, this means that we must possess strong competitiveness, which we intend to achieve by using comparative advantage and by creating competitive advantage," he stated.

Similarly, self-sufficiency does not mean rejecting foreign loans. "Foreign loans are no problem as long as we are able to repay them. It is better to borrow if it makes the economy grow rather than not to borrow when the economy stalls. The important things are loan conditions and how the money is used. Globalization has brought about a broad movement of capital. In fact, the United States is now the largest debtor nation. But we cannot say it is not self-sufficient," he said.

"This also means that in the next five-year plan, policies should not merely strengthen those who are strong. At the same time, we should also tendle them to give a sense of insecurity or uncertainty to them. The consequences, such as capital flight, could be fatal. Existing economic strength must continue to give a sense of security for action and work. For in spite of all we may say, they have stimulated growth and created jobs and exports," he declared.

Therefore, according to Conandya, there may be the need for new economic ideas or incentives and impetus for the weak economy through budgetary, monetary, credit, fiscal, and tax actions that will rescue the imbalances.

For example, incentives need to be given to other intensive industries that use small businesses as subcontractors, to industries that work in remote or isolated regions, and to industries that develop technology and train their employees.

These imbalances may be attacked from various angles, not only by the government through budgetary, monetary, and fiscal policies but more important through initiatives from the community itself, he said.

He said that in the next five years the private sector must have a bigger role than the government in driving development and industrialization. Therefore, the next five-year plan must increasingly encourage and prosper the community's resources, while the government merely supplies infrastructure, including development of quality human resources through education and other means, issuance of policies and regulations that foster and creation of a supportive climate.

Conandya said he felt the fiscal policies applied under the Tax Law have been very intensive so that they tend to treat everyone the same and do not provide incentives.

#### Eastern Indonesia

He said further that in REPELITA V, efforts to develop Eastern Indonesia and other backward areas must continue but that the right matters must be sought. The government will probably have greater capability to provide funds, but Conandya emphasized that such funds will still be limited and will not be needed in areas that cannot absorb them.

To develop Eastern Indonesia and other isolated areas, those areas must be opened up and must have maximum private sector involvement. There should be a growing, not merely a pouring, of funds to areas that are prepared to receive them. "Thus, we must first see what areas are the most prepared to such a pouring of money, and we must provide more facilities," he said.

What is the use of building infrastructure, such as roads and hydroelectric plants, if they are not used and the isolation becomes longer again, while industries

already being developed in other areas are dying or are moving to Taiwan or Vietnam for lack of electricity and roads," he asked.

Griandjar said he does not agree with the recommendation that the government limit itself to reducing imbalances and poverty during REPELITA VI and leave growth to later five-year plans.

With regard to the dichotomy between growth and equitable distribution and the fact that efforts toward equitable distribution are often seen as consumptive policies, Griandjar said he tends more toward the idea of growth by means of equitable distribution. For example, he views the development of small and medium industries as the basis for the growth of strong industries.

Furthermore, equitable distribution will strengthen the nation's foundation, because it will reduce the likelihood of disruptions that could interfere with growth.

#### Scholarships

On the subject of government scholarships, Griandjar said budgetary limitations do not permit the government to provide overseas scholarships for private students. There are educational groups that have been established for the benefit of the community at large.

According to Griandjar, there has been good reason for BAPPENAS to give priority to sending employees and college lecturers overseas to study. "Such lecturers are the ones who will produce human resources. If the quality of instructors is low, the quality of the human resources they train will be low. Similarly, government employees are the administrators of government. How can low quality government administrators be depended on to accommodate the aspirations of the people or understand and solve the people's problems?" he asked.

This is one of the reasons why it is important to give incentives to companies that finance the education of employees. "to those that employ large numbers of people, to those who work in isolated places, to those that develop technology, and to those that reinvest their profits."

"We must not consider such efforts to train people as taxable, for they should be tax deductible instead," he said. The dilemma between the importance of increasing tax revenues and the importance of giving incentives through fiscal policies must be among those issues to be resolved by the incoming economic team, Griandjar said. The team must also develop other new ideas or facing the serious challenges of the future. "As long as we must conduct development, there will always be dilemmas," Griandjar said.

#### Views of Bank Indonesia Governor, Trade Minister

##### Governor of Bank Indonesia

(ISE016) Jakarta TEMPO in Indonesian (Apr. 21, 1993)

[Text] Being head of Bank Indonesia has always been viewed as a stepping stone to becoming minister of trade. Arifin Siregar, who recently retired as minister of trade, had moved up from being governor of Bank Indonesia. The same was true of his predecessor, Rachmat Saleh.

The direction is reversed this time. Dr. J. Soedradjad Djiwandono has now become governor of Bank Indonesia after previously serving as junior minister of trade.

Soedradjad's appointment to head Bank Indonesia may be closely related to his expertise in the monetary sector. He won his doctorate from Boston University in the United States in 1980 with a dissertation entitled "Monetary Analysis of an Open Economy: the Case of Indonesia, 1968-1978."

It is hoped that Soedradjad will now be able to create a new economic climate in Indonesia, particularly through monetary policies. During the last several years, the monetary sector has been very prominent, but positions have not come from the Central Bank but from the Department of Finance. The role of the Central Bank should be determinative, however, because it controls bank interest rates and currency in circulation and manages government loans and foreign exchange traffic.

Will this rather unaggressive stance continue under Soedradjad's leadership? To provide an answer to this question, the new Bank Indonesia governor needs time as well as careful preparation. Possibly because he truly realizes the size of his burden, he appears to be very careful. Two days before the transfer of duties, Soedradjad—who was born in Yogyakarta on 17 August 1938—talked with TEMPO correspondent Taufik I. Alwa. Following are excerpts from that conversation.

[TEMPO] Can you say what instructions and assignments the president outlined for you?

[Soedradjad] President Suharto stressed the importance of coordinating monetary activities with other agencies involved in order to achieve maximum result.

[TEMPO] In this connection, what is the main role of the Central Bank?

[Soedradjad] The role of the Central Bank is monetary control, which is one aspect of macroeconomic control. The other aspect is fiscal (under the Department of Finance).

The Central Bank's duties include ensuring a stable rupiah, which relates both to the value of goods and to the value of foreign currencies. This has to be watched carefully so that the rupiah will support export activities.

$$\text{YASMEP} = \left( \frac{\text{Yield}_{\text{YASMEP}}}{\text{Yield}_{\text{YASMEP}} + \text{Yield}_{\text{HMF}}} \right) \times \text{Yield}_{\text{YASMEP}} \quad (4)$$

TEXT: I rather said that Mr. Muhammad (1) was the one official with a simple lifestyle. At the time of Mr. (1)'s inauguration as the state development labourer, it was reported that Mr. (1) who is director general for taxes and also doubles as minister of finance, had one night's model Datsun 500000000. Mr. (1) did not need to live as simple as Mr. (2) of Trade Sector's Budgetary Section.

Herton, sitting in a current position, Herton has no friends can both had a number of businesses. He was a professor in the economics faculty of the University of Indonesia, an honorary member of the BPP (Agency for Study and Application of Technology), coordinator of research and technology cooperation between Indonesia and the United States member of the National Research Council member of the expert staff of the coordinating minister of economic finance and industry, commissioner of PT Hindia Company, Manat Industriji Nya (development corporation), commissioner of the PT Rajawali Nusantara BINA (state-owned business enterprise) and chairman of the PERMINA (National Public Enterprise) (overight) (over) (despite the agency's position) has only recently become known that BPP (Agency for Study and Application of Technology).

Her transportation. Harry's wife was born in Pangkajene, Banggai, was a student of Depdiknas and of the same Republic, however, he has had the chance to begin the career of a civil servant without depending on his wife. Another mother was a girl from one of the houses (kampung) from the village that is nothing like that of a typical village from a modern one. A school was

Simpleton will probably continue to make his way although after two years in a ministerial position of state secretary in charge. What is clear is that Biss was seen as a bridge of public administration from the State to private life. New York bears a burden that cannot be added lightly. He admits to not much to merit an honorary O.D. I'm not sure he's ever been so well as the department for only two years (1971-1973). He was managing chairman of the Team for Study of Organizations and Administration and was a member of the Working Team in Standardization and Quality Control.

I have been given notice from the Department, and I read for 10 years. It is my intention that, before appearing before the committee, to be interviewed with the MP's. Since I have been given notice from the Department, I have

[illegible]

[Soedradjat] The channeling of bank credits must be based on the Development Triology: stability, growth, and equitable distribution. Current guidelines for the entire development sector and its activities must be treated as continuous. (Since deregulation began, the role of Bank Indonesia in the Development Triology has been trimmed. All that remains is the channeling of BULOG [Logistics Board] credits—amounting to 10 trillion rupiah—for stability of rice prices, farm credit for growth, small business credit, credit to cooperatives, and credits to support equitable distribution. All of this amounts to only about 7 trillion rupiah, which is small compared to the role of private banks.—Editor]

[Soedradjad] the purpose of creating money is to create liquidity. When the amount of money in circulation is consistent with the needs of production, investment, and trade, that money is useful. The question is whether credit is being used for productive purposes.

[Joedono] All of those things are important, and I will deal with all of them at the same time. Many methods can be used to improve competitiveness, for example, it can be done individually by companies, by interdepartmental efforts, or by cooperation between the government and companies. Basically, companies themselves must create competitiveness, while the government's role is only that of assistance. This includes penetrating markets protected by trading blocs, and in this case the role of the department is simply one of encouragement.

[TEMPO] How great are Indonesia's export opportunities, and what commodities can be most depended on?

[Joedono] Textiles continue to be one of our strongest commodities. As for opportunities, they are wide open to Indonesia. This is primarily because of a number of products that are strongly competitive, which is evident from the fact that some countries, like Australia, have falsely accused Indonesia of dumping. That shows our products have excellent competitiveness.

[TEMPO] What is your comment on the many openings in the U.S. GSP (General System of Preferences) that we have never taken advantage of?

[Joedono] That issue should be looked at again. Clearly, my commitment is to spur foreign trade to the maximum.

[TEMPO] To meet that commitment, is it not necessary to set up a type of "trading house" such as in Japan, to go along with the BPEN (National Export Promotion Board)?

[Joedono] For the time being, I think it is enough to expand the role of the BPEN. We need not be in a hurry to create a new trade organization. The point is, many countries, such as France, have strong foreign trade without having trading houses.

[TEMPO] Are you saying a trading house is not needed?

[Joedono] No. We must first see if it is important, and a trading house does not need to be set up by the government. The private sector could do it. Besides, not all commodities can be processed through such an organization. In other words, the important thing is results, with or without a trading house.

[TEMPO] Is Indonesia ready to open the door to AFTA, which went into effect on 1 January? For example, will we open the door to Malaysia's Proton Saga cars, which are cheaper than cars made in Indonesia?

[Joedono] In ASEAN, I think there is a certain consideration for each other. Later there will be regulations as to which commodities will compete. It is clear that in the ASEAN sphere there are many very competitive commodities.

[TEMPO] As minister of trade, what steps will you take immediately?

[Joedono] I will study everything carefully first, and I will also welcome every form of interdepartmental coordination. As we know, the trade sector in Indonesia faces very serious challenges because of the change in priorities from agriculture to manufacturing.

### Challenges for Financial Sector

*by SEPTIYU Jaxaria BISNIS INDONESIA  
in Indonesian (Apr 93) p. 1*

[Text] Indonesian financial institutions are again going through an ordeal. The case of the counterfeit stock broke the quiet atmosphere of Idul Fitri and involved a professional adventurer. The traded stock, including the counterfeit ones, raked in at least 10 billion rupiahs. Law-enforcement agencies were kept very busy, and the people involved, including the brokers, without exception, will be investigated. This case has smeared the reputation of the stock market in the eyes of the world; at the very least, this indicates that this institution has a crime problem.

Counterfeit stock has been traded in the past and who knows what happened in those cases, in particular the one involving Panin (Pan Indonesia) Bank stock. Instead of the stock market becoming more active and more trustworthy, the opposite is true: the counterfeiting disaster occurred. The affect of this counterfeiting has not been small, especially if one remembers that financial institutions were previously hit by a mismanagement disaster. The case of Bank Summa is still not over; liquidation is still in process and who knows when it will be finished. So many depositors do not know what is going to happen to their funds. Everything is unclear, at the very least, they are waiting for the liquidation to be completed and it may not generate enough to pay back depositors' savings.

There was also the case of the Bank Dwimanda, whose chief perpetrator Lohak Chandra still remains at large. He disappeared with billions in public funds. In view of the unsuccessful pursuit of Lohak Chandra, people have little hope that Lukman Hartono and associates will be apprehended. So this case of counterfeit stock will be hard to solve in a satisfactory way. Even so, it must be noted that the authorities did succeed in having the banker of the Bank Umum Majapahit extradited; he had fled the country but he was tried in Surabaya. In future, people's skeptical attitudes might be overcome by greater efficiency on the part of law-enforcement agencies.

That is why methods of prevention must be created in order to guarantee the security of transactions in financial institutions and in the stock market. For example, start by improving the system and the administration of financial and stock transactions. Computerization by itself does not always guarantee security; if oversight and a system for preventing crimes is not put on a firm basis. A system of security can be developed starting with printing securities, checking and rechecking trading, and



a system of documents which facilitates the resistance of transactions to criminal acts

It has been proposed that stocks not be traded physically but rather that documents showing ownership and volume and price be used instead. Although this proposal is interesting, it is also not so simple because such documents can also be counterfeited. In the end, the stocks will be resistant to counterfeiting but the documents traded can be counterfeited. In that case, stock trading will become less secure and the same kinds of crime can occur again.

If the stock market cannot eliminate trading counterfeit stock, it will be difficult to develop these institutions for long-term capital accumulation. This will have a serious effect on investors and on the growth of the economy. The problem is whether this case of counterfeiting is merely an economic crime or whether it has a wider background and will affect the very existence of the nation and the state. The investigation must be thorough and carried out more seriously.

We were all very shocked to see this case of counterfeiting arise in the present atmosphere of difficulties in finding capital for investment and in the middle of current domestic and international economic uncertainties. Let us try to investigate just how hard it is for the government to dig up domestic funds and to attract foreign capital to invest in Indonesia. Let us also look at the extent to which a tight money policy to control inflation and the depreciation of the rupiah is harming many sectors of life. Mainstream government economic policies can also be called into question along with many of its premises for carrying out development during the Second PJPT (Phased Long-Term Development).

Although some foreigners have said that the Indonesian economy is fundamentally sound, and they think that the counterfeit stock will have no effect on foreign-broker confidence, this statement must be thought about in a clear way.

We support the government's coordinated actions in responding to this case of counterfeit stock.

## MILITARY

**Minister Says Military Ready To Defend Sabah**

91SE01554 Kuala Lumpur (TUNAN MALAYNE)  
in Malay 14 Feb 91 p 7

[Text] Kudat, 13 Feb.—Minister of Defense Datuk Seri Najib Tun Razak gave assurance that the Malaysian military is prepared to fight to defend Sabah from an external threat.

He said that if there is any threat to take Sabah from Malaysia, the military will meet it with all its strength.

"This is a guarantee that we are prepared to fight to keep Sabah in Malaysia," he said in a meeting with the public held today at the Kudat National Secondary School (SNK) by Marudu Division (UMNO) [United Malays National Organization] Youth.

He responded to local press reports that the Sultan of Sulu, Jamalul Kiram, will launch a war if Malaysia does not accept his claims to Sabah.

Najib said he believes the threats of the Sultan of Sulu to launch a holy war to seize Sabah from Malaysia will remain as words only.

Nevertheless, he said, if there is any effort in that direction, the Malaysian military will protect Malaysian territory, including Sabah and Sarawak.

"Although most of the forces in Sabah are from the Peninsula, they will steadfastly use all their strength to protect Sabah, and no one can threaten or subdue them."

"We want to see Sabah free from every threat," he added.

**Plunder**

Commenting on charges by Chief Minister Datuk Joseph Pairin Kitingan that through such things as oil royalties the Central Government is plundering Sabah's natural resources, Najib said the Sabah United Party (PBS) has forgotten how much we have spent on education, development, and the military.

Najib asked why the PBS government does not count how much has to be spent on each member of the military protecting Sabah.

"As an example, eight servicemen were killed in the Kalahakan incident. What value is to be put on the grief of the widows and children of the soldiers who died?" he asked.

Datu Amir Kahar Tun Mustapha, member of Parliament from Marudu and president of USNO [United Sabah National Organization], was also present at the meeting.

Amir Kahar denied that USNO or he himself is involved in forming a coalition government with PBS.

"A cabinet position in a PBS government cannot be equated to the value of my struggle," he declared.

**Purchase of Starburst Missile for Air Defense**

91SE01558 Kuala Lumpur (TUNAN MALAYNE)  
in Malay 1 Feb 91 p 2

[Text] Kuala Lumpur, 1 Jan.—Malaysia's defense is now the Starburst laser-controlled guided missile will further enhance the air defense capabilities of the Malaysian Armed Forces (ATM).

Until now, the ATM have been forced to depend on antiaircraft guns, while most other countries have guided missile systems for this purpose.

Several neighboring countries, for example, have had such systems since the early 1980's.

This purchase opens new opportunities for upgrading the ATM's short-range firepower, and a senior ATM officer.

The statement made yesterday by the Minister of Defense did not specify the size of the order and the officer said, "It will be enough for the current needs."

The trend of modern warfare to make much use of combat aircraft now makes guided missiles important requirements for national defense.

The Gulf War witnessed the use of a variety of guided missiles, including the Starburst, for air defense by the forces of Great Britain, as one of the members of the military alliance.

The Starburst purchase is the latest on the two sides of a memorandum of understanding (MOU) between Malaysia and Britain, which reportedly involves costs of 4.6 billion ringgit.

**Order**

Since the MOU was signed in 1988, Malaysia has ordered 28 Hawk light fighter planes, two Vortex guided missiles (as published), two corvettes, and a Mumba radar defense system. An agreement was also signed for the construction of an Army complex at Luchuan.

The government's action in buying the Starburst system is consistent with the ATM's emphasis on conventional warfare following the surrender of the Malaysian Communist Party (PKM) in December 1989.

The guided missile, manufactured by the Short Brothers arms plant in Belfast in the United Kingdom, is a low-altitude air defense system adapted from the original Javelin system and is equipped with laser-guided rockets.

This high-technology system can shoot in bursts and is used to defend against even high-powered air attack.



Each system operator can act against enemy planes by using a guidance and direction unit that is the heart of the Starburst.

Starburst can be used to defend military bases, naval and air facilities, and national strategic locations.

Starburst has some advantages over heat-seeking missiles in that it cannot be easily obstructed or diverted and it can be carried by hand and launched in any direction from a tripod.

Although the system can be used by land, sea, or air forces, it will serve as additional equipment for the Army.

The Army already owns 155 mm long-range guns called medium guns, for effective firepower.

Some people feel that this equipment should be supplied to the rapid deployment force now being formed to enable the force to face threats more effectively.

The special force now needs its own air unit equipped with helicopters and transport planes.

**Junior Military Officers Cite Grievances**

WPAIC/PHIL Manila BALITA in Tagalog 21 Feb 91 p. 1

(Editorial Report) The 21 February Manila BALITA in Tagalog on Page 1 reports that junior officers in the Philippine Armed Forces have warned that military rebellion will continue to plague the country unless the government addresses the issues of pay and allowances, the military justice system, housing, health services, retirement, promotion and career enhancement, graft and ethics, training, and family support. The group

comprising officers from the rank of lieutenant to captain submitted their concerns to the National Unionism Commission which is holding public consultations with various sectors prior to holding formal peace talks with military rebels.

The junior officers, according to BALITA, have urged President Ramos to address the "economic roots" of the country's communist insurgency which has brought bloodshed and destruction to the country. Ramos is conducting separate talks with communist insurgents but the two sides have so far failed to agree on the agenda and the venue for the formal talks says the paper.

## ECONOMIC

### Boost in Software Sales Seen Despite Piracy

932801754 Bangkok BAHNKAH PRNT (PRNT)  
1347 484NF in English 14 Mar 93 p 1

[Excerpt] Despite the lack of a copyright law protecting computer software, original PC software sales is forecast to grow by at least 50% this year.

Although no one can accurately predict the size of the original PC software market here, software sales this year alone is expected to be between 120-180 million baht, according to estimates of a leading software vendor.

And although 500 million baht may be rather small when compared to sales of personal computers, which is expected to be in excess of 100,000 units this year, many vendors note that this is a significant improvement over a few years ago when software had virtually "no value" at all here.

Most software vendors agree that the implementation of a copyright law would be instrumental in stimulating original software sales. But it is not the most important factor, according to two leading software vendors—ThaiSoft and The Value Systems.

"Localization and right pricing are the key success factors here," said The Value Systems President Narong Innamat. Localization is the development of Thai or local language versions of foreign software.

Both ThaiSoft and The Value Systems, two local companies that sell software protected by the Business Software Alliance (BSA), agree that the rash on alleged illegal software vendors last year and the publicity generated by the BSA here had helped raise user and dealer awareness of the value of original software.

But Value Systems President Narong Innamat said he believes the most important factors for promoting original software sales were the development of localized versions of popular software and appropriate pricing of packages for the local market.

ThaiSoft General Manager Viro Innamat noted that a copyright law would not help the local software industry until import tariffs were reduced to be more in line with hardware. Imported software is now charged a 20% tax as opposed to hardware which is charged only 9% [passage omitted].

### Urban Wage Rates, Poverty Line

932801624 Bangkok THH NATION in English  
11 Mar 93 p 1

[Excerpt] With the government evicting as many as 10,000 slum dwellers from their holdings every year, some development workers are predicting the death of Bangkok's large slums made of a decade.

But the extinction of the large slums may lead to even greater problems, the workers believe, namely, the emergence of numerous smaller slums inhabited by what they term the "new-age urban poor"—a group of people who because of their low education and income levels and forced relocation, suffer from a growing sense of powerlessness and a dilemma.

Sompong Patpum, director of King Lee's slum's Community Development Institute, decided 15 years ago to begin working with "slum angels" Pratetp Lingsongtham, secretary of the Chuang Pratetp Foundation. They work hand-in-hand supporting education and welfare programmes in the slums but the vast 5,000-household slum own will become history for believers. [passage omitted]

The squatters will disappear in one of three ways: be evicted, must move into small state-subsidized flats or relocate to distant suburban areas like Ban Klong Ma Bu, those who can't afford either will become permanent dwellers.

But the consequence of taking slum dwellers out of their "natural habitat" and scattering them—thereby tearing the social fabric that binds them together and gives them a social identity—is the creation of a sense of alienation and powerlessness among the new-age urban poor, said Kwanwong Atthitak, a city planner and lecturer in Chulalongkorn University's Faculty of Architecture.

The possibility that within a decade's time no large slums will exist in Bangkok doesn't mean there will be no urban poor—about 20 per cent to 25 per cent of Bangkok's population lives below the poverty line. Sompong said [passage omitted].

The poverty line in 1992 was Bt115 per day, show Thailand Development and Research Institute statistics. Accordingly, a monthly income of Bt3,450 or less would put an individual below the poverty line—double that for a couple. [passage omitted]

Prasanth Derum, a 28-year-old worker at the Japanese-owned Yawata factory in the suburban Song Khro district, is an unwilling member of this not so elite group. [passage omitted]

Prasanth, who holds the equivalent of a diploma from a agricultural vocational high school, said his friends persuaded him to come to Bangkok from the northeastern province of Nakhon Si Thammarat five years ago to work in a factory instead of on his parents' paddy field. [passage omitted]

"I just need to earn a living for my family, but income from farming is no longer reliable," he said. His own here is expensive. It has just been raised to Bt1,000 per month this year as compared to Bt800 in Bt800 last year. [passage omitted]

"If I don't work, everyone dies, wouldn't it be enough money for a living?"

Piyasath, who works 12 hours a day six days a week earns about B15,000 a month [passage omitted]

Despite the obvious problems, Somvat said no statistics on the total number of new-age urban poor are available

"The government statistics are really poor. We do not know how many blue-collar workers are living and working in Bangkok. We only know that there are 2.6 million people employed in labour in Bangkok," he said [passage omitted]

## MILITARY

### Comments on Training Cadres, Organizations

912800364 Hanoi TAP CHI QUOC PHONG TQDA  
DAN in Vietnamese 9 Dec 92 pp 54-58

[Article by Major General Nguyen Huy Hieu "The Training of Command and Service Organ Cadres at the Quyet Thang Corps"]

[Text] In recent years, the training of cadres at the Quyet Thang Corps has concentrated on improving the military knowledge and the capability of detachment-level cadres to organize implementation of the tasks of developing, managing, commanding, educating, and training troops. As for the training of command and service organ cadres (including staff, political, logistic, and technical cadres) at the regimental, brigade, divisional, and corps levels in particular, we have carried it out in a concentrated and selective fashion since 1991 only. Since then, the Quyet Thang Corps has opened many training classes for command and service organ cadres, including a campaign training class for 513 corps, divisional, and brigade-level command and service organ cadres. The corps has directed various divisions, brigades, and regiments in carrying out map exercises and maneuvers with a number of units achieving good results in combining two-echelon field command and staff exercises with the use of live ammunition at the detachment level. It has also closely directed the training of service organ cadres in specialized skills and has strictly implemented the weekly and monthly training systems.

What is noteworthy is that the corps's training and improvement of its cadres have been carried out in the conditions of the policy of the Military Commission of the Party Central Committee and the Ministry of National Defense on changing the direction of military training. Moreover, the corps's force organization and personnel were not stable, its contingent of cadres underwent major changes, training manuals were lacking, some new manuals were still in the draft form and lacked uniformity. Therefore, in training and improving its cadres, the Quyet Thang Corps has taken the initiative in preparing more documents and making studies to supplement and eventually perfect the contents and methods of training to suit them to the tasks and special equipment of the corps. Along with these efforts, the corps has satisfactorily resolved the questions of personnel organization and assignment and has created a favorable environment for cadres to train in practical activities, thereby enhancing their command and staff standard and capability.

Following are some principal measures we have been carrying out with attention:

1. Improving cadres' military knowledge in a comprehensive and systematic fashion and enhancing their command and staff capability.

In the current task of defending the fatherland, our Army is responsible not only for safeguarding the national independence, sovereignty, and territorial integrity but also for protecting the socialist regime, the party, the administration, the mass organizations, and the people. The task of consolidating national defense and building the Army must always be closely linked to the task of maintaining national security. While standing ready to cope with war of aggression, we must constantly deal with the enemy's "peaceful evolution" scheme and trick aimed at fomenting rebellion to varying extents and on varying scales. To fulfill this task, the Armed Forces in general and the main force units in particular cannot use military strength and battlefield tactics but must apply another art of struggle, namely political struggle, education, persuasion, mass motivation, and unmasking and isolating the enemy. They must also see through the tricks used by the enemy to oppose and sabotage us in all fields of social life and in the military domain, and must know how to apply the new achievements and discoveries in military art, science, and technology and the art of political struggle in carrying out the combat duties and noncombat work of their units.

Another fact is that, in the present contingent of command and service organ cadres at all levels of the Quyet Thang Corps, there are very few highly experienced and combat-tested command and staff cadres left, and the majority are newly grown-up cadres. These cadres have culture, are equipped with a basic and systematic knowledge of modern military art, science, and technology, and demonstrate enthusiasm and a sense of responsibility in building their units. However, compared to the new requirements, they still show major weaknesses such as a lack of practical experience in command, management, building, and training organization and in carrying out combat duties and noncombat and production work. This is a major impediment to the development of the corps into a strong unit. If it is not resolutely overcome, it will affect the corps's efficiency in the performance of its duties.

This state of affairs should be taken into account in carrying out military training and improving the Quyet Thang Corps's cadres at all levels. The corps must ceaselessly enrich the political, military, and even economic knowledge of cadres in order to enhance their command and staff work capability. Naturally, these requirements are very high; therefore, within specific periods of time, suitable requirements and targets should be set forth for cadres to strive for. Specifically, in 1991 and 1992, we determined that command and service organ cadres from the regimental level up must be conversant with the basic contents of the revolutionary platform adopted at the seventh party congress and our party's current lines on domestic and external affairs and on building an all-people national defense system. These cadres must deeply engage in studies to acquire a sound understanding of the party's military concepts of people's war for national defense. They must firmly grasp the essence of regimental and divisional-level tactics.

(both offensive and defensive) and be capable of skillfully applying regimental and divisional combat tactics in training and exercises in provincial and district defensive zones by relying mainly on the personnel and equipment currently available. They must be skilled in organizing command and staff exercises at their own levels and directing exercises of the lower echelons. They must firmly grasp the essence and methods of joint combat operations between infantry and its own armor, artillery, and antiaircraft artillery and other forces sent in as reinforcements, and between the corps's divisions and regiments and the armed forces of provincial and district defensive zones. They must also understand and be capable of carrying out mass motivation work and must have a firm grasp of the methods of operation in preventing and opposing peaceful evolution, rebellion, and subversion in accordance with the areas and targets assigned to them.

To meet these requirements, we have had to satisfactorily resolve the primary, important question of concretizing, supplementing, and renovating the essence of training to suit it to the Quyet Thang Corps's combat and noncombat duties, to the new objects of its combat activities, and to the military art of our people's war. In this matter, there was a reality that the training manuals issued by the Ministry of National Defense only determined the general issues pertaining to all units in the entire Army, and that some questions concerning the new development of enemy combat tactics and military art and technology, especially those emerging after the Gulf War, were not promptly supplemented, improved, and made cohesive. Therefore, on the one hand, basing itself on the Ministry of National Defense's combat training orders and on the combat plans already approved by the upper echelons, we gathered a number of command and service cadres of the Quyet Thang Corps and its divisions and brigades to make studies and compile training manuals and work out hypothetical combat plans closely based on the tasks assigned to the corps and on the new objects of its combat activities for training and practice. On the other hand, with regard to those issues that the Quyet Thang Corps was not yet in a position to study deeply and firmly grasp, such as new development of the enemy's schemes and tricks, the art of conducting military campaigns, tactics, our command and staff capability, the war means the enemy is and will be using, we invited a number of cadres and teachers from the Advanced Military Academy and various authoritative organs of the Ministry of National Defense who were specialized in these subjects to teach, to give information or direction, and to make suggestions, so that the corps could study and apply them.

With regard to the contents of its training programs, the Quyet Thang Corps also paid special attention to imparting to cadres our experience in command and staff work already gleaned from past battles. In 1992, we arranged for a number of the corps' cadres to search for documents to meet with those cadres who had held the positions of combat unit commanders during the war

against the United States, and to recount in writing some typical battles fought by various units of the corps in the Quang Tri battlefield, pointing out both their strong and weak points as well as their experience in command and staff work for cadre to refer to. This is a good way of doing things, and it is supported by the corps's cadres because it helps build confidence by citing real people and real deeds while creating favorable conditions for cadres to recall the traditions of their units and the Army. To carry out this task even more satisfactorily, we would like to suggest that the upper echelons closely direct all organizations—from the agencies of the Ministry of National Defense to Army units—in doing a good job of reviewing the past wars, and mobilize many cadres who once served as commanders in various campaigns and battles in many theaters during the wars against France and the United States to write about their combat experiences for the benefit of the new generation of cadres who grew up recently.

Along with renovating the essence of training, the Quyet Thang Corps has actively improved its training methods in accordance with the training motto "basic, steady, practical." There is a point here that is different from the training methods used in the previous years, and that is the great attention paid by the corps to the requirements of being steady and improving cadres' practical capabilities. In the past, during its command and staff exercises, the Quyet Thang Corps often organized these activities as general, continuous study sessions and evaluated the results of each unit individually. During such sessions, the corps's commanders usually and mainly assumed the position of director of the training of the lower echelons. At present, to meet the steadiness requirement, we carry out training by dividing it into different sessions according to each stage of military tactics and campaigns. In each stage, cadres will train and restrain in accordance with their functions and duties till they become skilled and have a firm grasp of each item on the training program. After each item is finished, each competing unit and even each commanding cadre are scored for their efforts. The corps's commanders must also set aside 70 percent of their time for training together with their organs and units in accordance with their positions. During training, a system is organized to guide and direct every unit from the corps's command and organs down to the lower echelons. A number of Advanced Military Academy cadres can be invited to participate in the team of directors together with a component of the corps's cadres.

In training, the Quyet Thang Corps also combines improving the theoretical standard of cadres with developing their capability for practical work. The aim of studying is to fulfill one's duties—this is the highest goal of studying. Therefore, the corps has intentionally set aside much time for cadres to do exercises and practice the movements of commanding and managing various organs, thereby enabling these organs to operate together in a scientific and efficient fashion. As for the cadres of various organs, along with developing and practicing



scientific methods of working, they must also pay attention to developing standard technical and professional skills and work style, such as the capability to think synthetically and to forecast situations, a sense of organization and discipline, the spirit of collective responsibility, a sense of planning, and especially, a sense of accuracy. For example, when training cadres in making plans and combat decisions during map exercises, we require that these tasks be done correctly, sufficiently, accurately, and attractively, of which correctness, sufficiency, and accuracy are mandatory requirements and are given high marks. As for attractiveness, it is also an important requirement that cadres must strive to meet. All cadres agree that these measures have helped to enhance the command and staff work standard and capability in a practical fashion.

**2. Creating proper conditions and a favorable environment for cadres to train in the practical activity of building their units in order to raise command and staff work standard and capability**

Practical experience has showed that the working environment (favorable or unfavorable) has a very great influence on the study, training, and development of cadres. Therefore, the Quyet Thang Corps has taken all measures to create a favorable environment for cadres to train so as to improve their command and staff standard and capability. At present, the corps's staff organization has been changed to be compatible with the new requirements of its construction, combat readiness, and non-combat duties. The corps only maintains a number of units at full strength while reducing the troop strength of other units to varying extents. This condition has both an advantageous and an disadvantageous aspect that affects the training and improvement of cadres' command and staff standard and capability. If only measures are applied to let cadres to study and train by themselves as we used to do previously, efficiency will not be achieved.

To meet the Quyet Thang Corps' current organizational needs in improving our command and service organ cadres, we have resolutely carried out the assignment of cadres in strict accordance with official plans. We have changed the old way of cadre assignment, which was limited to individual units, by assigning cadres according to the personnel sources determined in plans to meet the demands of both unit development and improvement of cadres' standard. Specifically, all the cadres provided by the sources of prospective regimental, brigade, divisional, and corps personnel and by the Ministry of National Defense's sources are appointed to the right positions in various units, especially the full-strength units. Those cadres who are redundant but belong to the sources of manpower for use in unit development are assigned to full-strength units and to various organs and schools in appropriate numbers. For training and testing purposes, a small number of these cadres are assigned to special duties in those places where conditions of operation are difficult. Through these efforts, proper conditions are created for cadres to study, train, and develop

by themselves in a gradual and steady fashion. With regard to service organs, especially corps-level service organs, we must build them into really strong and professionally skilled components to effectively serve the corps leadership and command. For this reason, in selecting cadres to be assigned to various organs, we attach importance to standards such as training received in schools and academies, commanding positions held in basic-level units, especially full-strength units, and training undergone in those places where conditions are difficult. Naturally, appropriate systems and policies are also needed to ensure that service organ cadres will work and train with peace of mind.

Reality has showed that the aforementioned method of cadre assignment is suitable for the organizational characteristics and situation and for the functions and tasks of the Quyet Thang Corps. This method has yielded results in many aspects by ensuring that successive generations of cadres, old and new alike, serve in both units and service organs, thereby meeting the corps's building and combat-readiness requirements. More importantly, it has created proper conditions, ensured adequate steps, and provided a suitable environment for cadres to train and to develop gradually and steadily. The length of cadre assignment in each unit depends on the requirements of duties and the art of using cadres of the party committee echelons and commanders at various levels.

**Main-Force Corps, Stable Defense Zones Seen**

912E0055A Hanoi: TAP CHI QUOC PHONG TOAN DAN in Vietnamese, Nov. 92, pp. 54.

[Article by Colonel Bui Tran Mo, "Strong Main-Force Corps and Stable Defense Zones—Foundation of People's War for Defense of the Fatherland"]

[Text] Unlike the people's wars of liberation in the past, the people's war for defense of the fatherland (PW) today, when we must wage it, is prepared and organized beforehand, beginning with the process of building socialism, building and consolidating the all-people national defense, building and developing the people's armed forces, and combining economy with national defense, and vice versa, and with all aspects of the country's and people's strength.

At present, throughout the country, provincial and municipal defense zones (DZ) have been established and have developed in a steady manner. They are the components that make up the all-people national defense, the efforts to prepare the country in all fields to prepare the people and to get forces ready for localities, and the country as a whole, and the combat posture in the all-people national defense and the PW, and where we deploy and develop our defense forces in peacetime and carry out combat activities in wartime. DZ's are where we organize and fight the local PW, which is combined with the war fought by main-force corps in an all-people and total fighting to defend the socialist Vietnamese



fatherland. We can also say that DZ's are where the local people and armed forces get ready and carry out the fighting with combined, on-the-spot strength to defend their native land and the country.

DZ's are not defensive zones. In DZ's can take place defensive, offensive, and counteroffensive activities, which can be independent or joint efforts between the DZ forces and the mobile main-force corps (MFC) at a higher level (military regional or ministerial level).

The MFC's of our army today consist of the corps that make up the army and the antiaircraft, air defense, and naval forces, which have been and are being consolidated and perfected in terms of organization, staff, and equipment and along the line of a revolutionary, regular, well-trained army being modernized little by little in conformity with the economic and technical capabilities of the country and the military art of the war for defense of the fatherland. Attention is being paid to improving the overall quality of MFC's, first of all to their political quality and to the combat-readiness level and capacity. Along with the permanent forces, they are also backed by strong reserve forces, which can readily be mobilized when necessary. In the PW, the MFC's are recognized as the strong mobile main-force forces—the "strong fists"—in strategic combat activities, military operations, and fighting. The combat activities of MFC's are closely combined with combat plans of DZ's in all localities, including the sea and islands.

In the future, if the enemy dares to wage an aggressive war against our country, this war will probably show the basic features similar to those of the wars that the enemy has prosecuted against third-world countries in recent years (there will be different aspects, of course, in regard to scope, intensity, forces being used, fighting methods, and so on). This will be a lightning war putting high-tech means and weapons to use, a war that has virtually no "beginning period" (in terms of division of time in a classical war) and very relative boundaries between the rear and the front. According to the "air-land combat" doctrine, the enemy can suddenly attack on land, from the sea, and in the air (including from space) against important political, economic, and military centers, and against our densely populated areas, for the purpose of immediately paralyzing all activities in our country, destroying our military and national defense potential, sowing confusion into our people's will to fight, and quickly defeating or conquering our country.

With this kind of war, if we fail to remain vigilant and prepared in terms of combat posture, forces, and art so as to be able to fight back fiercely, in time, and totally from the very beginning, the damages will be very hard to imagine. For this reason, to prepare the country in peacetime by having stable DZ's all over the country and strong MFC's is greatly significant.

Strong MFC's and stable DZ's will respond to the new development of the PW military art, namely, to fight the enemy with the greatest might of the people and people's

armed forces by closely combining the two war-waging modes—to fight the war with MFC's and in local PW's, create a combined strength and wear out and destroy the enemy from the very moment he has started the aggression against our country. These first-strike blows dealt by our Army and people will minimize the damages inflicted upon our people and country, at the same time thwart the enemy's deceptive strategic moves and force him either to give up his aggressive design or to prolong the war.

The above-mentioned projection is based on the actual capabilities of our present DZ's and MFC's and the direction in which we are building and developing them. First of all, stable DZ's are being built and perfected in all provinces and municipalities. There our forces are undergoing periodic training in accordance with combat and security-maintaining plans, plans for mobilizing the means and forces for the war, and production plans aimed at ensuring the means of living for our people and armed forces while we fight the enemy. As a result, no matter when, from what direction, and with whatever firepower or momentum the enemy attacks us, he will encounter the fastest and most timely countervailing of our on-the-spot forces, which are available in each and every DZ. The activities of DZ's against the enemy are aimed not only at protecting and reducing losses on the part of the local people and the economic installations, both local and state, in their localities but also at clinging to their base, maintaining their ownership right, wearing out and destroying the enemy, holding him back, and creating favorable posture and conditions for MFC's to mobilize the reserve forces and to deploy forces on their own initiative and with mobility in vital areas and important locations in accordance with operational and strategic schemes.

On the other hand, with strong firepower, high mobility, good combat skills and capabilities, and favorable conditions created by DZ forces, our MFC's will quickly develop their own forces, engage in independent or coordinated combat (the latter with other forces, including those of DZ's), and destroy a large part of the first enemy invading groups coming from land, the sea, and the air.

To well prepare the stable DZ's and strong MFC's is a condition for developing the combined strength of the country and people as a whole for defeating the enemy in the very first battle and for defending the independence, sovereignty, and territorial integrity of our country.

Strong MFC's and stable DZ's constitute a basis for creatively applying, further enriching, and developing our nation's art of fighting the enemy under new conditions. It is the art of "using the small to defeat the big," "using the few to resist the many," and using rudimentary and less modern means to win against an enemy who has superior strength and is equipped with the means and weapons several times more modern than ours. It is the art of

fighting the enemy with wit, courage and will and determination to maintain national independence and freedom.

In the past wars, we did not have stable DZ's, i.e. the conditions for preparing the people and localities were not as favorable as they are today, but our people and army have continually defeated many strategies and war various kinds of wars against the most powerful aggressive armies having the most and most modern equipment in the world then only with rudimentary and homemade weapons of the localities and with relatively modern and modern weapons of the MFC's. Not only did we say so but the enemy also recognized Vietnam's unique and effective fighting methods and admitted his failures (although his admission was far from the truth) on the battlefields in both the North and the South.

Under new conditions and with new material and spiritual capabilities of the country in general, and of DZ's and MFC's in particular, the people's art of war will be developed and heightened to satisfy the new needs of the war of the future—the modern war.

As we have said earlier, the enemy's aggressive war against our country in the future will be prosecuted with high-tech means. Besides the kinds of weapons that are powerful and have a wider range of action and greater accuracy, the enemy also has modern systems of reconnaissance, intelligence and communications. These weapons and means were used with remarkable results in the Gulf war in February 1991. We must recognize the fact that these means had very great advantages and would create a great deal of difficulties for our army and people. However, they also had many limitations which, if taken advantage of and exploited more deeply, would prevent the enemy from doing things much to their liking as they did in the Gulf. What is always significant and important for us is not to be too subjective, not to lose vigilance, not to be satisfied with old experiences, not to be afraid of the enemy, and not to get confused in the face of his modern resources and weapons. We must stress the ideas about actively launching attacks, fighting the enemy on our own initiative, striving to control the situation and battlefields, driving the enemy into passive action and confusion, and forcing him to fight in accordance with our fighting methods. DZ's are to act independently or in close coordination with MFC's to create a combat posture that allows them to fight the enemy in a wide area, to attack his most vulnerable spots, to strike from all directions (from the front, the rear, the flanks, and so on), to fight in many forms (surprise attacks, ambushes, attacks on means of communications, harassing attacks, and so on), and to fight on all military-political and troops-proteleving fronts for the purpose of separating, dividing, and isolating enemy forces, achieving our ownership right and offensive action, forcing him to become bogged down in the local PW situation, and creating favorable conditions for MFC's to develop their decisive role in destroying large components of the enemy forces, to turn the tide on battlefields and to contribute to ending the war.

Strong MFC's and stable DZ's are an indispensable factor in thwarting the enemy's trick, namely, to use military forces to strike from the outside and to combine them with the forces from within to attack in order to conquer or to defeat our country.

As we know, DZ's are built to promote political, economic, and social development, to strengthen the military and national defense potential, to maintain political security, order, and social security in localities, and at the same time to be ready to fight the enemy when he attacks the localities from without.

In the combat plans of DZ's, there are plans for fighting the enemy from within and plans for fighting the enemy from without. Realities point out that when the political and social security situation of provincial and municipal DZ's and of the country as a whole remains stable, making the reactionaries within the country unable to gather their forces and to raise their banner, for to closely coordinate with adversary forces from without, the enemy from the outside will hardly be able to carry out his aggressive scheme in an easy manner. While the enemy prosecutes the aggressive war, he lacks the support of "internal backing" forces; in addition, he encounters the resistance of combat villages and the determination of the local armed forces and people to cling to their base "not to yield an inch of land," which will force him to reduce the speed of his offensive or to switch from the offensive to the defense.

Besides the activities of DZ's, there are the activities of MFC's. This fact will greatly increase the effectiveness of destroying the enemy without and at the same time constitute a strong support for effectively fighting the enemy within.

With the DZ plans for maintaining political and social security and carrying out combat activities against the enemy being combined with the MFC combat plans, we will certainly achieve the goal of isolating and defeating the enemy within, destroying a large part of the attacking strength of the enemy without, thwarting their plots and tricks, maintaining national independence and sovereignty, and strongly defending the people's power.

What has been presented above is not everything, but we can come to this conclusion: **Strong MFC's and stable DZ's are the foundation of the people's war and the defense of the socialist Vietnamese fatherland.**

## ECONOMIC

### Nguyen Dy Nien on Recent ASEAN Meeting

*Vietnam's Foreign Minister, THE SAIGON TIMES, 10 August 4, 10 May 93, pp. 5-6.*

[Article by Dinh Hoang Thang, "Vietnam: ASEAN Heading for a South-East Asian Region in the 21st Century."

[Text] Deputy P.M. NGUYEN KHANH, Deputy Foreign Minister NGUYEN DY NIEN and some officials and researchers representing the Foreign Ministry, the State Planning Committee and the Institute for Social Sciences have recently participated in the "Heading for a South East Asian Region in the 21st Century" Forum held in Bangkok on February 22, 1993.

The forum is a part of activities of both Vietnamese and ASEAN policy-makers and scientists in an effort to strengthen cooperation for better stability and prosperity of the South East Asian Region. On arriving in Hanoi, Deputy P.M. NGUYEN DY NIEN granted an interview to the correspondent of *The Saigon Times*. Excerpts:

**The Saigon Times:** Could you elaborate on some new points in this forum with regards to the previous ones?

**Mr NGUYEN DY NIEN:** As compared with the first conference (in August 1991) in Hanoi and the second one (in May 1992) in Kuala Lumpur, in this Bangkok-based conference, there was a new feature: the first time Vietnam and ASEAN countries could agreeably present a report (though still in a draft) addressing the method to approach a South East Asia in the years to come, and also presented specific suggestions for strengthening the relationship between Vietnam and ASEAN on a multi-lateral basis.

**Could you clearly define major standpoints included in that approach?**

This common approach mostly focused on new viewpoints on matters relating to the existence and development of the South East Asian region. All delegates to the conference agreed that necessary measures should be quickly recognized to unite all South East Asian countries into a uniform block, and more than ever it's high time to set up such a unity.

South East Asian region would not merely include six ASEAN countries, but it should be expanded to all South East Asian countries including Vietnam, Laos, Cambodia and Myanmar [Burma] to become a ten-country community. It will be a community of different nations and people, each with its own characteristics and socio-political region of its choice. The member countries will have different economic developments and varied relationships with countries outside the region but each country's situation will not harm the prosperity of the whole community.

Especially, all delegates agreed that a South East Asian Region could not be envisioned without the participation of Vietnam, the second populous country. With its initial but encouraging results in the renovation process, with its increasingly important role and position in the region, Vietnam's participation in a new South East Asian Region will help improve the stance of South East Asia in the international arena.

In short, the new approach in this conference was that South East Asian Region must become a multi-faceted

community having in common the security and prosperity and sharing opportunities of development.

**Then how about obstacles and hurdles newly emerged or historically influenced on the road to building a South East Asia?**

The new way of thinking in approaching this prime matter called for suitable solutions to all existing or potential disagreements and conflicts through peaceful measures with regards to the interests of each country and of the whole region. On that basis, all remaining issues in the relationship between Vietnam and ASEAN countries as well as among South East Asian countries, among which are disputes over territories, especially disputes in the South China Sea, which a number of scholars suggested to rename as South East Asian Sea, would be solved, as agreed by all delegates, through measures of building up mutual confidence following the principles of solving disputes through peaceful measures in respect of the sovereignty and independence of each country without intervention of countries outside the region. Some opinions proposed that not until all difficulties and obstacles be solved then the regional unity should be progressed.

**Vietnam has for the first time participated in a regional political agreement, i.e. the ASEAN. As such, what is the roadmap for the expansion of ASEAN?**

The process of expanding ASEAN, and in reality the process of Vietnam's participation in ASEAN, should be an evolutionary process on a voluntary basis. In accordance with that spirit, no opinions urged that Vietnam should immediately participate in ASEAN.

Nor there were any opinions proposing a roadmap or a specific time for Vietnam's integration into ASEAN. However, all opinions had it that this process should be sped up.

At the conference, the Vietnam-ASEAN research team presented a number of proposals, one of which was that Vietnam should be quickly recognized as a "Uniting Member," a special role awarded to Vietnam for its special position. This research team also proposed that Vietnam should be invited to participate in all committees, government and non-government organizations of ASEAN as an official member or an observer. Moreover, the research team also suggests to establish Vietnam's Liaison Office at the ASEAN Secretariat in Jakarta, to hold Vietnam-ASEAN Minister-level meetings annually and to establish a Vietnam-ASEAN Minister-level committee to consider and propose the specific time for Vietnam to get full membership at the earliest possibility.

**On the socio-economic cooperation, what new principles and trends were presented at the conference?**

As far as economic cooperation is concerned, the Vietnam-ASEAN research team recommended a lot of measures to develop bilateral and multi-lateral relations both

in the state-run sector and private sector. A number of principles and trends were presented to form a multi-lateral framework for cooperation, urging Vietnam's full-scale participation in all trade-related fields. Concerning this matter, there could be through negotiations an agreement for Vietnam to cooperate with ASEAN with preferential condition suitable to the international responsibility and duty of either side.

As for development aid and investment cooperation, there were some proposals on establishing regional committees which should include senior governmental official and leading technologists to study and recommend programs of multi-lateral aid of ASEAN to Vietnam and to encourage the investment flow and other production-related factors for Vietnam.

Other reciprocal matters concerning the society, culture, people and other long-term development matters such as ecology, environment and population were also considered at the conference. The general trend of these proposals focused mostly on establishing frameworks and multi-lateral mechanisms to exchange information and knowledge on establishing development funds and data banks to provide informations about social matters and development.

#### **Vice Premier's Views on Investment Development**

93SE0163A Hanoi VIETNAM NEWS in English  
7 Mar 93 pp 1-5

[Interview with Vice Premier Phan Van Khai by VIETNAM NEWS, place and date not given.]

[Text] VIETNAM NEWS Agency has interviewed Vice Premier Phan Van Khai, member of the Politburo of the Communist Party and Chairman of the Central Financial-Monetary Council, on a number of economic and financial issues in 1993. Following are the questions and answers.

Q Mr Vice Premier, what is the emphasis of our development investment programme in 1993?

A The ultimate goal of our socio-economic strategy up to the year 2000 is to double GDP compared with 1990, i.e. an annual growth rate of 7.2%. To correspond with this tempo, investment in 10 years will be around 40 billion USD, about half of which is to be made up of domestic capital. In the current five-year programme (1991-1995) we have to invest 12-14 billion USD, but in 1991 and 1992 total investment in the economy was only 2 billion USD. From 1993 on we have to quickly broaden the scale of investment by different sources of fund, from both the enterprises and the people, both the state and foreign countries, if we are to achieve the set target and gradually narrow the gap in development level between ours and neighbouring countries and stave off the danger of falling behind. Moreover, only through higher development investment can we generate jobs, improve the people's income, increase budget revenues and consequently make the social situation healthier.

The essential is that all of our investment projects must be based on careful calculations in terms of economic efficiency. The state will concentrate investments on the infrastructural works while the rest will be undertaken by the enterprises and the population and financed by their own equities, stocks or loans. The state may provide credits with preferential terms for a number of production and business units but will definitively stop making investment allowances as in the past, even to the state-owned enterprises.

Q What are the main factors to expand development investment?

A What was achieved in the previous year is actually the premise for bigger steps in the following year. Our first advantage in 1993 is a new mettle arising from the increasing confidence of the people in renovation, in the multi-sector economy. The initial misgivings about the inconsistency of the government policies toward private and individual business have been dispelled step by step. Many enterprises have begun adapting to the market mechanism. The Vietnamese currency and its exchange rate is stabilizing, thus greatly reducing the risk of price fluctuation in investment and business. Secondly, we have increased our capacity to meet the demand in essential materials compared with the year 1992. Thirdly, our foreign exchange reserve has also increased markedly. Fourthly, more opportunities have been created to broaden our markets abroad, and finally, there has also been more funds and technologies coming from the world.

Q Could you elaborate on our capabilities of meeting the demand in materials?

A In 1993, thanks to better production and reserve capacity in the country together with a better balance of trade, we are in a better position to meet the essential needs in materials, e.g. petrol, electricity (including for South Vietnam), coal, nitrogenous fertilizer, steel, cement, cotton, basic chemicals, machine parts and components, etc. More freedom has been granted to the circulation of materials. We have abolished the system of quotas for the consumption of materials in different branches, localities and production and business units, which can now directly deal with materials trading organisations or import materials on their own initiative. Many restrictions on the borrowing of foreign currencies to import materials either for production or business purposes have been lifted. For instance, you may now be licensed to import even when you have nothing to export. All this is stimulating all branches, localities and production establishments to develop their businesses in the light of market demands.

Q What about our foreign exchange reserve and the perspective in this area?

A In the past few years, especially after foreign governments' aid has ceased to come, every year we lacked a lot of foreign exchange to import essential goods for the economy. In 1993, with our foreign exchange earning



from exports and other sources, we shall be able not only to meet the demand for regular import of materials and other commodities including equipment necessitated by foreign-invested projects but also to increase our reserve at a substantial level.

This is a new and very favourable factor for development investment. Of course, we need an enlightened policy and effective measures to ensure efficient use of this reserve in service of production and life and to keep the exchange rate at a reasonable level in order to ensure the interests of exporters while keeping inflation at the desired level.

At present, the State Bank can and must assure normal and convenient selling and buying of foreign currencies while broadening short-term and medium-term loans in foreign currencies at appropriate interest rates in order to encourage the enterprises to borrow for the import of materials and equipment for production. On the other hand, the import of consumer goods including big-ticket items should not be regarded as a waste of money but a stimulant to production and business since it compels domestic manufacturers to renovate and improve the quality of products. It also gives rise to many services which are badly needed to solve the question of unemployment and to increase the state budget. The essential is not what to consume but to consume by what source of funding. There is nothing to worry when consumption is funded by legal incomes. If you want high-quality goods you must pay higher taxes. In that sense, the government is modifying the import-export policy and cutting down on the list of banned imports including items to be imported under fixed quotas while increasing taxes on luxury goods and reducing taxes on such items as are most needed in the country. At the same time, more efficient measures will be taken to prevent, detect and punish smuggling. The bank is considering lending foreign currencies for the import of consumer goods.

All the above measures must be applied in a concerted way so as to increase the turnaround of the available foreign exchange and turn it into a commodity and profitable capital. We must put an end to the hoarding of foreign exchange or the deposit of foreign exchange in foreign banks for the sole purpose of drawing interest. On the basis of the balance between supply and demand in foreign exchange and the balance of money and goods in the country, the bank is responsible for assuring enough domestic currency to buy all the foreign currencies brought in from outside, stabilizing the exchange rate and step by step adjusting this rate proportionally with the inflation rate and further stimulating export.

**Q** What about the possibility of expanding our markets?

**A** Based on the production and income distribution plan in 1993, the purchasing power of the population is expected to increase by 9%. The deployment of investment projects, including foreign-invested projects, will increase the need for land, building materials and labour.

A number of our exports have found stable and long-term customers. The export of our textile and tailoring products to the European Economic Community has increased tenfold. The value of these exports might have been greater if we could supply products of higher quality. A positive payment balance in foreign exchange will help us export a number of items which have been most difficult to export for the sake of debt repayment.

These factors will increase the purchasing power inside the country and expand overseas markets. However, that remains a potential. To make it become a reality our enterprises must increase the competitiveness of their products in both quality and price and they must give more attention to marketing. This requires the assistance of the ministry of commerce, the Commerce and Industry Chamber and the various trade associations.

**Q** Do you mean that in 1993 it will be more difficult for us than in previous years to achieve budget balance?

**A** Right. To stabilize the socio-economic situation and to improve our defence and security capabilities requires the mobilisation of much bigger resources in the whole society. For instance, in 1993 we have to spend a lot of money to carry out the new wage policy, to increase construction and meet the urgent tasks of defence, security, education, science, culture, public health, family planning, etc. A big budget deficit will be a major impediment to our effort to continue pushing back inflation in 1993. We have made it a point not to make up for budget deficit by issuing more money but by borrowing from the people and from foreign countries. But this has its limitations because we have to repay sooner or later. So far, short-term loans from the population are our main budget source. If the loans increase repayments will increase including the payment of interests. Although foreign loans are mostly long-term loans they carry binding conditions and the more we borrow now the more we shall have to pay in later years. That is why the best way to cut down on budget deficit is to increase revenues from inside the country.

**Q** Could you elaborate on some measures to increase budget revenues?

**A** Our potential to increase revenues remain very great in all areas and economic sectors.

In the state sector, not a few enterprises are paying very high salaries and bonuses while retuiting much lower depreciation cost to the state budget than prescribed. It is also a common practice to put into the enterprise accounts many irrational expenditures which cause substantial reduction of taxes that would have been paid to the state.

In the non-state industry and trade sectors, many households are conducting businesses without registration and without paying any taxes. The tax rate based on declared turnover is much lower than reality. We have not instituted any taxes on major incomes such as from the sales of houses, land and stock interest. This year we must



categorically stop these loopholes and especially must put an end to the sale of public land to feed the local budgets (in which not a small amount is to line individual pockets).

Our main orientation to increase budget revenues will not be tax increase. In 1993 in the readjustment of the tax rates we shall increase taxes imposed on a number of import items such as petrol, big-ticket items, luxury goods, and goods which can be produced inside the country. However, generally speaking, we shall not change and in some cases reduce the tax rates for production and business enterprises, begin to apply the Valued Added Tax (VAT) where possible in order to avoid overlapping taxation. Most important is a strict implementation of the law on taxation.

Q: Is there anything new in the budget allocations to the localities this year?

A: Apart from the taxes and fees which come completely under local jurisdiction as has been applied so far, this year the local budgets will also receive the whole of the agricultural tax (except for a number of provinces with exceptionally big revenues from agricultural tax part of which shall be remitted to the central budget).

Thus, the only area where there must be a regulation of the central and local budgets is the revenue tax. As the socio-economic situation stabilizes we shall gradually stabilize the rate of revenue tax contributed to the central budget in order to increase the dynamism of the local budgets. Thus, the local budget will be allowed to take all the revenues in excess of the plan. As for the statutory contribution to the central budget by the local budgets, the latter are also allowed to retain the amount collected in excess of plan (concrete rates shall be defined by the ministry of finance).

It must be pointed out that the level of contribution to the central budget by the local budgets remains too low. It is estimated that in 1993 we still have to make budget subsidies to 36 provinces and 29 of them still have to be regularly subsidized by the central government. Only 16 provinces and cities have some surplus in revenue tax to remit to the central government. Our target is to ensure that the provinces which have so far received budgetary subsidies from the central government will gradually reduce these subsidies and ultimately will be able not only to dispense with such subsidies but also to contribute to the central budget. Other provinces must also gradually increase their contributions. We must regard the question of ensuring budget revenues according to law as a primordial task of the administration at all levels and the most important contribution of the localities to the common task which is to meet at the best of our abilities the need of budget spending while continuing to reduce budget deficit in order to control and push back inflation.

### Interview on How To Tackle Socioeconomic Matters

932E0048A Ho Chi Minh City TUOI TRE CHI  
NHAT in Vietnamese 4 Jan 93 pp. 1-2

[Interview with Phan Van Khai, deputy prime minister, by TUOI TRE reporter Bui Thanh, place and date not given. "At End of 1992, Deputy Prime Minister Phan Van Khai Answers TUOI TRE's Questions on 1993 Socioeconomic Solution"]

[Text] The National Assembly has just passed a resolution on the tasks in 1993, with the development goals set at higher levels in various fields, particularly in raising the pace of economic development. But what measures to take and how to do things? Deputy Prime Minister Phan Van Khai granted our TUOI TRE reporter an interview right after the National Assembly had closed its session.

[Thanh] The National Assembly has just approved the articles that would revise and complement the Foreign Investment Law, for the purpose of creating additional capacity to attract capital from foreign investors into Vietnam. However, so far we have not had a domestic investment law and proper attention has not been paid as yet to our own business people. What policy will the government adopt in the days to come to tap this potential?

[Khai] Domestically speaking, from 1993 on, the government will actively be resolving matters having to do with mechanism and policies so as to let citizens feel reassured and invest in production and business. The potential among the people is very great, but they are not confident yet and have not yet concentrated investment on production. Therefore, first of all we must recommend a policy that encourages all economic components, particularly the private component, creates favorable conditions for the people to open up production to obtain more products for society and export, and attracts a large labor force. We must quickly create favorable conditions for considering and approving projects, providing capital support, granting tax exemption in initial periods, and so on.

[Thanh] Can you further clarify this point? You want to encourage them, but what actual measures do you want to take to do so?

[Khai] While waiting for a domestic investment law in the near future when we revise the tax laws, we will certainly have new articles reflecting the encouragement of the state toward the private economic sector.

As for the countryside, in 1993 we must considerably increase the amount of capital that farmers will be borrowing to develop grain production, to grow industrial crops, to raise shrimp and fish, and so on. In 1992, 16 percent of farmer households was granted capital loans for their production projects amounting to a total of more than 1,000 billion dong. The regular outstanding debts among farmers are 800 billion dong, but only 15

percent is overdue. This fact shows that although farmers are poor, they pay their debts always before the due dates, and that many of them are now better-off just because of the borrowed capital. In addition, in the time to come, the government will have a pilot project involving the establishment of a Canadian-style credit cooperative in the countryside to mobilize capital and to let farmers borrow money as a step toward the creation of a wide network of rural credit cooperatives to satisfy farmers' need for capital, leaving the financing of large projects to banks.

If we can provide the needed capital and have an investment policy to encourage people, I believe that we will have a faster rate of development. Here I would like to add this. In the few years of renovation, indeed the most evident sign of the thriving trend has been found in agriculture. Although land was the same and people were the same, the foundation for the agricultural achievements we made has been our correct mechanism and policies and the encouragement extended to farmers urging them to be concerned about the results of their production and about their land.

[Thanh] Financial support, encouraging mechanism, and clear-cut production development, but that's not the end. Perhaps you have heard some "complaints" in the National Assembly to the effect that in spite of a good crop, farmers have not felt inspired because prices were not stable and sales sometimes were slow?

[Khai] Although what we are happy about is the fast increase of agricultural production, it is true that for the time being some problems still linger. First, about the sales of farm products, we and the Southeast Asian countries resemble one another very much in terms of agricultural products, but we are the latecomer in the world market, a market that has already been divided. There is no other way for us to do except to make one step after another and to squeeze ourselves in. As we are late and have to slowly squeeze ourselves in, prices can easily be forced on us.

The government is being interested in establishing a farm products-processing network to enhance export value, which in turn will benefit farmers through higher purchase prices. In addition, the government will set up a farm subsidy fund so as to maintain acceptable purchase price levels and not to cause losses among farmers.

The fact that sales sometimes are slow is not because of a lack of need but because we have not found a market. For instance, because by the end of the first quarter last year we had not been able to sign any contracts with a foreign country, we had to stop purchasing domestic rice; the reason was purchasing without being able to sell would mean losses for the corporations concerned. That fact created a failure on the part of farmers to sell their rice. This year, from the beginning of the year, we have already tried to take care of the markets for rice, coffee, and other farm products, as well as clothing products.

[Thanh] To find markets and to squeeze ourselves in the world market is thus a very important matter that has a direct bearing on the increasing pace of production development in our country. Has the government had any practical solution for this matter?

[Khai] We are trying to expand our market. As you know, our recent trip to Europe was aimed at expanding Vietnam's textile market there on a larger scale. And this year we have signed contracts with the European Community to export larger quantities of clothing goods, several times larger than those of previous years. In the near future, we will actively open additional markets in this region and also expand our market to Canada. We also consider the very large U.S. market, which presently is affected by the embargo, but we need to find ways to squeeze ourselves in there, through the American companies that have come here to work and to deal in and exchange goods with Vietnam. To enter the U.S. market means to be able to enter the Canadian and Mexican markets. In 1993, if possible, we will export to the American markets the kinds of ordered goods that can compete there on the basis of our cheap labor costs and good workmanship.

At present, there is a shortage in the grain market, particularly in Africa. But African countries do not have money to buy grain directly from Vietnam and must instead go through international companies and organizations and rely on the aid sources. The government is giving guidelines to the central sectors for conducting studies on seeking markets in Africa so as to do direct business with it.

In short, if we properly organize our market and have normal relations with the outside world, the products of our agriculture, forestry, and fishery, as well as industries, will have salability in regional markets.

[Thanh] We may say that one of the obstacles to what you have just mentioned is the U.S. trade embargo. However, the possibility of lifting this embargo is no longer remote. What preparations has the government made, and is making, to be ahead of the post-embargo period?

[Khai] If the United States totally lifts the embargo, Vietnam will be able to have normal relations with such international financial organizations as the International Monetary Fund, World Bank, Asian Development Bank. At the same time, it will end the present stalemate between us and the governments of many countries in regard to the financial relations having to do with aid and loans. These are major sources of capital that will create faster investing capabilities in favor of our infrastructure and such fields as education, public health, culture, and so on. Then the large companies of Europe and the United States that have large capital and high technology will come to our country one after another.

[Thanh] Then what preparations must we make to be ready?

[Khai] The top priority is to have projects ready to be started right away when capital is available. We must actively build the infrastructure including roads, ports, airfields, telecommunications, and important industrial sectors like electric power, coal, gasoline and oil, iron and steel, chemicals, and so on, in order to create a favorable economic environment for all economic components to develop. Another thing that the government is being concerned about is to get prepared and ready in advance a body of cadres capable of doing research, seeking partners, and negotiating in order to limit to the greatest extent losses in doing business with foreign countries.

[Thanh] Finance Minister Ho Te has told us that currently and particularly in 1993 there will be basic changes in the national financial mechanism, including tax policies. Can you further clarify this?

[Khai] In the near future, the government will revise its tax policies, including the ones having to do with agricultural tax, export-import duties, and so on, so as to be like other countries. Tax is not high but collected tax is abundant, with simple procedures.

Another point is that in 1993, all state enterprises will have to borrow money from domestic and foreign sources if they want to invest so that the state budget will gradually be left to take care only of the infrastructure, investment in education, public health, culture, social affairs, and so on. Currently, for instance, investment in education is too little. Although the government is not satisfied with this fact, it cannot do anything because our budget is too small. To renovate the financial policy actually is to achieve the abolition of state subsidies so that the entire state budget will be shifted to satisfying the needs having to do with the infrastructure, culture, education, and so on. Then we will be able to have appropriate investment in education for the purpose of preparing a body of good cadres and specialists serving as the base of our popular intellect for the 21st century, of which we are at the threshold.

[Thanh] Thank you, sir.

[Khai] On the occasion of the new year of 1993, through TUCI TRE, I wish the people of Ho Chi Minh City good health and success in contributing to fulfilling the socio-economic tasks that the National Assembly has just recommended.

### **Largest Commercial Port Planned**

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[Article by Mai Dang Thuan "Plans Readied for Largest Commercial Port"]

[Text] Vietnam has two relatively large seaports—Haiphong Harbour with docking power up to 3 million tonnes/year and Saigon Harbour 4 million tonnes/

year—and quite a number of smaller ports in the provinces. However, the combined docking capacity of all of them does not exceed 9 million tonnes, far below the present need of socio-economic development.

Saigon Harbour, together with Ben Nghe Port next to it, is the largest but still has some limitations: the towing route is too long (more than 100km from anchor Buoi No. 0 to the dock) and the river is shallow (7m deep on the average), accessible only to low-tonnage vessels (passage for 10,000-tonne vessels is possible only at high tide). The harbour is being expanded and existing facilities are being upgraded, but even then it can accommodate 15,000-tonne ships only.

The world trend of sea transport at the moment is to use high-tonnage vessels grouped in 3 categories: wet goods vessels of from 200,000-500,000 to 1 million tonnes, loose-freight (mineral ores, coal, ... 100-200 thousand tonnes vessels, and container ships (20-30 thousand tonnes, carrying rice for example) or lighter-aboard-ships (LASH) capable of transporting 50,000 tonnes of cargo. In general, seagoing vessels nowadays must have a 20-30 thousand tonne capacity or more. Larger vessels have many advantages: low cost of freighting, high economic efficiency. But docking period should not be too long.

As Vietnam's economy is growing fast, there is greater need for sea transport. In the oil industry alone, 5 million tonnes of crude was freighted in 1992, and the volume will reach 10 million tonnes in 2000. And the volume of goods to and from the Mekong River delta and southern central Vietnam is expected to be 24 million tonnes in 1995 and 35 million in 2000. Therefore there is an urgent need to build a deep-water harbour in the south.

So, on November 5 1992, the prime minister approved the master plan for the Thi Vai-Vung Tau Deep-Water Harbour drafted by the Southern Institute of Communication Design.

In fact, central Vietnam has many suitable sites for this purpose. Besides the Cam Ranh Bay, the Dam Mon-Van Phong Bay in Khanh Hoa province is a likely candidate, with a 20 metre seabed and a large estuary. But it is too far from major economic centres.

Thi Vai-Vung Tau is a part of Ba Ria-Vung Tau province. It has the great advantage of being near the southern plains which are the nation's largest rice barn with plenty of farm produce for export. It is also in the immediate neighbourhood of big oil fields and the Saigon-Bien Hoa-Vung Tau industrial complexes (mainly for the oil refining and petrochemical industries) that will be set up in the near future. Thi Vai-Vung Tau is also on the way from HCM City (60km away) to large economic zones, with many road and water transport facilities and the prospect of a new railway system. Besides, it has access to international sea routes and will become an important centre of international trade in Southeast Asia and the world.

Natural conditions in this area are also favourable: a warm climate all the year round and the absence of storms. Shielded from the sea by the Vung Tau Peninsula and the Can Gio Sandbank, the Thi Vai River and the Ganh Rai Bay are calm. In present conditions, the passage in the Thi Vai River is only 24km long and is wide and deep, giving easy access to 30,000-tonne vessels. The passage in the Ganh Rai Bay is a little longer (27km) but it is passable for 30,000-tonne vessels seven months in a year and for 15,000 tonnes vessels any time. Once these passages are properly dredged, they will be easily accessible for 50,000-tonne vessels.

When the first stage of construction is completed in 1995, the Thi Vai-Vung Tau Harbour Complex can berth 30,000-50,000 tonne vessels with landing charge of up to 18 million tonnes/year. Later, as it is further improved the complex is open to 100,000-150,000 tonne vessels.

The future harbour complex is planned to have four sections:

- The Phu My Port Complex (on the left bank of the Thi Vai River) can receive 30,000-tonne vessels carrying imports (steel, machinery and equipment, container cargoes) and exports (rice, paper, materials, ores).

- The Petroleum Port (downstream the Thi Vai and upstream the Cai Mep rivers) for 30-60 thousand tonne tankers carrying crude oil and oil products.

- A transit port at Ben Dinh (adjacent to the city of Vung Tau) to forward goods to local destinations.

Several foreign companies are eyeing this plan with great interest.

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